City of South Lake Tahoe
City Council and South Tahoe Redevelopment Successor Agency
Meeting Agenda
Tuesday, December 12, 2023 at 5:30 pm
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Cristi Creegan, Mayor
Cody Bass, Mayor Pro Tem
John Friedrich, Councilmember
Tamara Wallace, Councilmember
Scott Robbins, Councilmember

Mission of the City Council
The City was established to provide essential, outstanding and cost-effective services that enhance environmental sustainability, economic vitality and the quality of life for our residents, businesses and guests.

Public Participation
City Council meetings are held in person at the time and location listed on this agenda. Meetings are live-streamed on Channel 21, City website at www.cityofslt.us, and via ZOOM at this link https://us06web.zoom.us/j/85907213522 A public agenda packet is available for review at City Hall, 1901 Lisa Maloff Way, on the City's Website at www.cityofslt.us, or by contacting the City Clerk's Office, (530) 542-6005 or sblankenship@cityofslt.us

Providing Public Comment: In Person: Every agenda for regular meetings provides an opportunity for members of the public to directly address the legislative body (City Council), on any item of public interest which is within the jurisdiction of the City Council during Public Communications. For items on the agenda or in connection with any item which the City Council will consider, the public is given the opportunity to comment before or during the City Council's consideration of the item [Government Code Section 54954.3(a)].

By Phone: If you are joining the meeting via ZOOM and would like to make a comment, press the "raise a hand" button. If you are joining the meeting via Channel 21 or live stream and would like to make a comment, please call (530) 542-6500. The meeting ID is ID: 859 0721 3522 press *9 to indicate a desire to make a comment. Press *6 to unmute your phone. The Clerk will call you by the last three digits of your phone number when it is your turn to speak. In Writing: Written comments received by 3 p.m. the day before the meeting will be distributed to City Council prior to the meeting. Written public comment regarding any item on this agenda may be sent to PublicComment@cityofslt.us. When emailing comments, identify the agenda item number in the subject line to which your comments relate. Any such comment that is a public record and is emailed to PublicComment@cityofslt.us or otherwise provided to a majority of the City Council before the meeting will be made available for public inspection during

normal business hours at the City Clerk's Office located at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe [Government Code Section 54957.5(b)]. Written comments will not be read out loud during the meeting.

The City Council Chambers meeting facility is accessible to people with disabilities. Every reasonable effort will be made to accommodate any person needing special assistance to attend this meeting. Contact the City Clerk at (530) 542-6005 at least 48 hours in advance of the meeting for assistance [28 CFR 35.102.35.104 ADA Title II and Brown Act Government Code Sections 54953.2, 54954.1, 54954.2, and 54957.5]. Spanish Interpretations: The public may access Spanish interpretation using the ZOOM link listed on the front of the Agenda from an internet device (smartphone, laptop, tablet, home computer) with audio capabilities and selecting the Spanish language option. Persons without an internet device may attend the meeting in-person and a device will be provided while supplies last. Requests for interpreter services to offer public comment may be made by contacting the City Clerk.

Call to Order/Pledge of Allegiance

Roll Call

Closed Session Report

Public Communications
This is the public's opportunity to speak on any topic NOT LISTED on this agenda. Comments shall be limited to four (4) minutes. In accordance with the Brown Act, the City Council cannot deliberate or vote on any matter raised under public communications, but may briefly respond to statements made or questions posed. (Government Code Sections 54954.2)

Reorganization of the City Council

1. 2024 Mayor and Mayor Pro Tem Selection
Requested Action / Suggested Motions: Pass a Motion selecting a Mayor and Mayor Pro Tem for the year 2024.
Responsible Staff Member(s): Susan Blankenship, City Clerk
Item 1- Executive Summary.pdf
01-Staff Report -2024 Mayor and Mayor Pro-Tem Selection.docx

City Commission Reports

Presentations

2. Tobacco Prevention Presentation from El Dorado County Public Health
Requested Action / Suggested Motions: Receive presentation.
Responsible Staff Member(s): Heather Stroud, City Attorney
Item 2- Executive Summary.pdf
01-Staff Report - County Public Health Tobacco Prevention Presentation.docx
02-Presentation.pdf

Consent Agenda
Public Comment - This is the public's opportunity to speak on any topic listed on the Consent Agenda. Comments shall be limited to three (3) minutes.

The consent agenda consists of items of a repeating or routine nature considered under a single action. Any Councilmember may have an item on the consent agenda removed and considered separately upon request.

Pass a Motion to adopt the Consent Agenda in one motion except as indicated at each item.

3. City Council Meeting Minutes
Requested Action / Suggested Motions: Pass a Motion approving the November 21, 2023 Regular City Council and South Tahoe Redevelopment Successor Agency meeting minutes.
Responsible Staff Member(s): Susan Blankenship, City Clerk
Item 3- Executive Summary.pdf
11 21 2023 City Council Minutes.pdf

4. Investment Portfolio Report - September 30, 2023
Requested Action / Suggested Motions: Receive and file.
Responsible Staff Member(s): Olga Tikhomirova, Director of Finance
Item 4- Executive Summary.pdf
01-Staff Report - Investment Report Sept. 2023.docx
02-Operations Cash 09 30 2023.pdf
03-Fiscal Agent 09 30 2023.pdf
04-Graph 09 30 2023.pdf
05-Cash September 2023.pdf

5. Fiscal Year 2022-23 Quarterly Financial Status Report - Quarter Ending September 2023
Requested Action / Suggested Motions: Receive and file.
Responsible Staff Member(s): Andrew Black, Financial Services Supervisor
Item 5- Executive Summary.pdf
01-Staff Report - FY 2022-23 Quarterly Budget
02-FY 2022-23 Qtrly Budget Report Sept 2023

6. Purchase of Three Police Patrol Vehicles from National Auto Fleet Group
Requested Action / Suggested Motions: Pass a Motion authorizing the purchase of three (3) 2024 Chevy Tahoe 4WD PPV police vehicles using existing budget appropriations up to $169,305.75.
Responsible Staff Member(s): Jeff Roberson, Police Lieutenant
Item 6- Executive Summary.pdf
01-Staff Report - Police Vehicle Replacement.docx
2-2024 Chevy Tahoes National Auto Sales.pdf
3-National Auto Fleet Contract 091521.pdf

7. Reimbursement Agreement with El Dorado County for Purchase of Communications Equipment for Fire Rescue Marine 17 Using 2021 Homeland Security Grant Funds in an amount up to $7,652
Requested Action / Suggested Motions: Pass a Resolution authorizing and directing the Mayor to execute a funding reimbursement agreement with El Dorado County for the purchase of AIS secure communications GPS equipment for South Lake Tahoe Fire Rescue Marine 17 not to exceed $7,652.00, appropriating funding in the FY 2023-2024 budget, authorizing purchase of the equipment and installation from Raymarine, and authorizing the City Manager to sign and submit all documents necessary documents for the completion of the grant scope.
Responsible Staff Member(s): Jay Manning, Battalion Chief, Jim Drennan, Fire Chief
Item 7 Executive Summary.pdf
01-Staff Report - Funding Agreement with EDSO.docx
02-Resolution - Funding Agreement with EDSO.docx
03-Funding Reimbursement Agreement with El Dorado County for Marine 17 Equipment.pdf
04-Order Acknowledgement

8. Barton Avenue & 2nd Street Drainage Project - Ratification of Change Orders No. 1, 2, 3 & 4 ($228,561.50)

Requested Action / Suggested Motions: Pass a Motion ratifying Change Orders 1-4 and increasing construction contingency to 11.5% ($229,310) to be reimbursed by Southwest Gas and South Tahoe Public Utility District at no additional cost to the City.
CEQA Determination: This project is categorically exempt under CEQA Guidelines 15304 (minor alteration to land).
Responsible Staff Member(s): Stan Hill, Engineering Manager, and Jason Burke, Complete Streets Program Manager
Item 8- Executive Summary.pdf
01-Staff Report - CCO Close-Out.docx
02-Vicinity Map.pdf
03-CCO-4 Balancing Worksheet.pdf
04-LaFleur Excavating, Inc Contract_C-054-2023.pdf

9. California Tahoe Conservancy Planning Grant Application for Dennis Machida Memorial Trail Phase 1c
Requested Action / Suggested Motions: Pass a Resolution authorizing the Director of Public Works to submit a grant application for $800,000 to the California Tahoe Conservancy for the Dennis Machida Memorial Trail Phase 1c.
CEQA Determination: This action is statutorily exempt from review under CEQA Guidelines section 15262 (planning and feasibility studies).
Responsible Staff Member(s): Jason Burke, Complete Streets Program Manager, and Stephen Anderjack, Associate Civil Engineer
Item 9- Executive Summary.pdf
01-Staff Report-CTC Grant Application.docx
02-Resolution - CTC Grant Application.docx

10. California Office of Traffic Safety Enforcement Grant FY 23-24
Requested Action / Suggested Motions:

Pass a Resolution ratifying the application, budget, and reimbursement of grant award by California Office of Traffic Safety (OTS) for a Selective Traffic Enforcement Program (STEP) in amount up to $41,000.00, and upon final approval from OTS, authorizing the Mayor to execute a grant agreement.

Responsible Staff Member(s): Lt Scott Crivelli
Item 10- Executive Summary.pdf
01-Staff Report - OTS Grant.docx
02-Resolution - Office of Traffic Safety Grant.docx
03- Grant Agreement.pdf
04 - Grant Application

11. City Salary Table Amendments - California Minimum Wage Increase
Requested Action / Suggested Motions: Pass Resolution raising the minimum wage for City employees to $16.00, effective January 1, 2024, as required by state law.
Responsible Staff Member(s): Ember Buckman, Human Resources Manager
Item 11- Executive Summary.pdf
01-Staff Report - City Salary Table Amendments.docx
02-Resolution - City Salary Table Amendments.docx
03-City of South Lake Tahoe Salary Table December 6 2023 (EXH A to Reso).pdf

Consent Agenda - South Tahoe Redevelopment Successor Agency

12. Recognized Obligation Payment Schedule (ROPS) FY 2024-2025
Requested Action / Suggested Motions: Acting as the South Tahoe Redevelopment Successor Agency Board, Pass a Resolution approving the Recognized Obligation Payment Schedule (ROPS)

pursuant to Health and Safety Code section 34177 for the fiscal period commencing July 1, 2024, and ending June 30, 2025.
Responsible Staff Member(s): Olga Tikhomirova, Finance Director
Item 12- Executive Summary.pdf
01-Staff Report-ROPS 2024-2025.DOCX
02-Resolution STRSA ROPS 2024-2025.DOCX
03-ROPS 2024-2025 (Exh. A to Resolution).pdf
04-Sponsoring Entity Loan Repayment ROPS 2024-2025 (Exh. B to Resolution).pdf

Public Hearing

13. South Tahoe Refuse Base Year Rate Increase of 11.05 Percent
Requested Action / Suggested Motions: (1) Conduct a Majority Protest Public Hearing, and (2) If no majority protest is received, Pass a Motion approving South Tahoe Refuse Base Year Rate Increase of 11.05 percent ($4.11 per month for residential customers and $4.70 per cubic yard for commercial customers), effective January 1, 2024.
Responsible Staff Member(s): Anush Nejad Public Works Director, and Sara Letton, Sustainability Coordinator
Item 13- Executive Summary.pdf
01-Staff Report - South Tahoe Refuse 2024 Rate Adjustment.docx
02 - 2012 Rate-Setting Manual.pdf
03 - Prop 218 Notice 10.23.23 FINAL.pdf
04 - Crowe Report - STR 2024 Rate Review.pdf
05 - Clean Tahoe Budget 2023-4.pdf
06 - STR Rate Presentation.pptx
07- Redacted Protest Letter.pdf

Regular-Unfinished Business

14. Amendments to Cannabis Ordinance, Public Safety License Ordinance, and Clean Indoor Air Ordinance Regarding On-Site Consumption, Medicinal Delivery, and to Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries
Requested Action / Suggested Motions: Pass a Motion to hold a first reading (by title only) of Version 1 (allowing on-site consumption) or Version 2 (continuing to prohibit on-site consumption) and refer second reading to January 9, 2024, of an Ordinance amending the following sections of the South Lake Tahoe City Code: (1) Article X of Chapter 6.55 (Cannabis Regulations) Regarding On-Site Consumption at Cannabis Retailers, Medicinal Delivery, and to Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries; (2) Chapter 4.180 (Cannabis Public Safety License Ordinance) Regarding On-Site Consumption at Cannabis Retailers and Curbside Delivery; and (3) Chapter 4.100 (Clean Indoor Air and Health Protection) Regarding On-Site Consumption at Cannabis Retailers and to Comply with Changes in State Law on Smoking in Workplaces.
CEQA Determination: The proposed Ordinance would allow for additional or expanded cannabis business activities but does not change the intensity or density of cannabis business uses beyond what is currently allowed in Table 6.55.740. The proposed Ordinance is consistent with the 2030 General Plan policies. The 2030 General Plan Environmental Impact Report (EIR) adequately addresses the potential environmental impacts of the proposed ordinance. No further environmental analysis is required under CEQA Guidelines section 15162 because the proposed Ordinance is within the scope of the previous EIR and there are no substantial changes to the project or the circumstances that require major revisions to the previous EIR due to new significant environmental effects not discussed in the previous EIR, significant effects previously examined that would be more severe, or mitigation measures or alternatives previously found not to be feasible that would substantially reduce one or more significant effects.
Responsible Staff Member(s): Heather Stroud, City Attorney
Item 14- Executive Summary.pdf

01 - Staff Report - Cannabis Ordinance.docx
02 - Ordinance Amending Cannabis Regulations - Version 1 Allowing On-Site Consumption.docx
03 - Clean Indoor Air Ordinance Redline Version 1.pdf
04 - Public Safety License Ordinance Redline Version 1.pdf
05 - Cannabis Ordinance Redline Version 1.pdf
06 - Ordinance Amending Cannabis Regulations - Version 2.docx
07 - Clean Indoor Air Ordinance Redline Version 2.pdf
08 - Public Safety License Ordinance Redline Version 2.pdf
09 - Cannabis Ordinance Redline Version 2.pdf
10 - 2023 South Lake Tahoe Scorecard from Public Health Institute.pdf
12-Notice of Public Hearing 11 21 2023.pdf
11- Planning Commission Res 2023-015.pdf

Regular-New Business

15. City Council Assignments to Boards and Commissions
Requested Action / Suggested Motions: 1) Pass a Motion appointing a citizen representative to the El Dorado County Community Action Council or direct the City Clerk to continue to solicit applications; 2) for the El Dorado County Commission on Aging, City Council may either fill the position with a member of the City Council, or direct the City Clerk to continue to solicit applications; and, 3) Pass a Motion approving City Council assignments to boards and commissions.
Responsible Staff Member(s): Susan Blankenship, City Clerk
Item 15- Executive Summary.pdf
01-Staff Report-Assignments to Commissions and Boards.docx
02-2023 City Council Assignments.pdf
03-Notice of Solicitation - City Council Representative.pdf

16. Climate Action Plan Annual Update
Requested Action / Suggested Motions: Receive presentation on Climate Action Plan implementation progress and provide feedback on new Climate Action Plan tracking website.
Responsible Staff Member(s): Sara Letton, Sustainability Coordinator
Item 16- Executive Summary.pdf
01 - 2023 Climate Action Plan Update.docx
02 - Presentation 2023 Climate Action Plan Update.pptx

17. 2021 Greenhouse Gas Inventory
Requested Action / Suggested Motions: Receive and file.
Responsible Staff Member(s): Sara Letton, Sustainability Coordinator
Item 17- Executive Summary.pdf
01 - Staff Report - 2021 GHG Inventory.docx
02 - Exhibit CW and GO 2021 GHG Inventories.pdf

18. Amendments to City Council Protocols
Requested Action / Suggested Motions: 1) Pass a Motion approving the suggested amendments to the City Council Protocols; or, 2) Pass a Motion directing staff to bring back the City Council Protocols with specific changes.
Responsible Staff Member(s): Susan Blankenship, City Clerk, and Heather Stroud, City Attorney
Item 18- Executive Summary.pdf
01-Staff Report-Protocols.docx
02-Proposed 2024 City Council Protocols (Redline).pdf

Agenda Planning Calendar

19. Agenda Planning Calendar

Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.
Responsible Staff Member(s): Joseph Irvin, City Manager
Item 19- Executive Summary.pdf
APC - 12 06 2023.pdf

Updates and Announcements (City Attorney, City Clerk, City Manager)

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Adjournment
I, Susan Blankenship, City Clerk for the City of South Lake Tahoe, declare that the foregoing agenda for the Tuesday December 12, 2023, City Council meeting was posted and available for review on Thursday, December 7, 2023, at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150. The agenda was also available on the City website at https://www.cityofslt.us. Signed December 7, 2023 \\sb\\ Susan Blankenship, Elected City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 1

Agenda Item: 2024 Mayor and Mayor Pro Tem Selection

Executive Summary: The Mayor and Mayor Pro-Tem shall serve a (1) one-year term of office. Pursuant to City Code section 2.05.050(A) and City Council Protocols VII (1) the City Council shall, at its first meeting, select a mayor and mayor pro tempore. The newly selected Mayor and Mayor Pro Tem will commence their terms of office immediately.

Requested Action / Suggested Motions: Pass a Motion selecting a Mayor and Mayor Pro Tem for the year 2024.

Responsible Staff Member: Susan Blankenship, City Clerk

Reviewed and Approved By: Heather Stroud, City Attorney

Attachments:

01-Staff Report -2024 Mayor and Mayor Pro-Tem Selection.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: 2024 Mayor and Mayor Pro Tem Selection

Location: Citywide

Responsible Staff Member: Susan Blankenship, City Clerk (530) 542-6005

Background: In accordance with South Lake Tahoe City Code section 2.05.050(A) and City Council Protocol VII(1) Mayor and Mayor Pro Tem Term of Office, at its first meeting the City Council shall select a Mayor and Mayor Pro Tem. The Mayor's duties under the South Lake Tahoe City Code and City Council Protocols include presiding over and facilitating discussion at City Council meetings, signing written contracts and instruments, and acting as the City Council's ceremonial representative at public events and functions. The Mayor Pro Tem assumes the Mayor's responsibilities in the Mayor's absence.

Issue and Discussion: The City Council is asked to deliberate and pass a Motion selecting a Mayor and Mayor Pro Tem for 2024.

Financial Implications: There are no financial obligations associated with this action.

Environmental Considerations: The selection of Mayor and Mayor Pro Tem is not a project requiring environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(5) (organizational or administrative activities that will not result in direct or indirect physical changes to the environment).

Policy Implications: The selection of a Mayor and Mayor Pro Tem conforms to City Code and Protocols.

The newly selected Mayor and Mayor Pro Tem will commence their terms of office immediately.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #:2

Agenda Item: Tobacco Prevention Presentation from El Dorado County Public Health

Executive Summary: On September 28, 2023, Mayor Creegan, the City Attorney, and Assistant City Manager met with representatives from El Dorado County Public Health to receive information about ongoing tobacco prevention efforts. At the City Council meeting on November 7, 2023, Mayor Creegan requested that a presentation from El Dorado County Public Health on tobacco prevention be placed on a future agenda (seconded by Councilmember Friedrich).

Requested Action / Suggested Motions: Receive presentation.

Responsible Staff Member: Heather Stroud, City Attorney

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance

Attachments:

01-Staff Report - County Public Health Tobacco Prevention Presentation.docx
02-Presentation

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: Tobacco Prevention Presentation

Location: "Citywide"

Responsible Staff Member: Heather Stroud, City Attorney (530) 542-6046

Background:
On September 28, 2023, Mayor Creegan, the City Attorney, and Assistant City Manager met with representatives from El Dorado County Public Health to receive information about ongoing tobacco prevention efforts. At the City Council meeting on November 7, 2023, Mayor Creegan requested that a presentation from El Dorado County Public Health on tobacco prevention be placed on a future agenda (seconded by Councilmember Friedrich).

Issue and Discussion:
Staff from El Dorado County Public Health will present on current tobacco prevention efforts in El Dorado County and statewide. Topics will include local tobacco retail license requirements and local enforcement including prevention of retail sales of tobacco products to youth, zoning to limit density and number of tobacco retailers, and waste management regulations such as prohibiting single-use electronic smoking devices (vape pens).

Financial Implications:
None.

Environmental Considerations:
Receiving this presentation is not a "project" requiring review under the California Environmental Quality Act (CEQA) under CEQA guidelines 15378(b)(2) (general policy or procedure making).

Policy Implications:
Regulating tobacco retailers would be generally consistent with Strategic Priority 5.4 (Local Control) in the 2023-2028 Strategic Plan.

Tobacco Use Prevention Program

TOBACCO USE PREVENTION PROGRAM OVERVIEW

Kristin Becker, Consie Mote, Penny Smart

El Dorado County Health and Human Services Agency, Public Health Division

12/12/23

Background:

Our Commitment

Tobacco Use Prevention Program (TUPP)

- Funding source: Allocation Agreement CTCP-21-09 California Tobacco Use Prevention Program/California Department of Public Health
- Term: January 1, 2022, through June 30, 2025
- County accepted funding: $1,050,000 from PROP 99 and PROP 56
- Priority Education Areas:
  - Limit Tobacco Promoting Influences
  - Reduce exposure to secondhand smoke, tobacco smoke residue, tobacco waste, and other tobacco products
  - Reduce the availability of harmful tobacco products, like cigarettes, cigars, vapes, and chew
  - Promote tobacco cessation

Community Engagement:

Public Opinion Survey

2022 Commercial Tobacco Campaign Public Opinion Survey (strongly agree/somewhat agree)	501 EDC	53 SLT
Tobacco litter (cigarette butts, packaging, lighters, etc.) is a problem in my community	73%	89%
I have a right to live in a home that is smoke-free	94%	94%
Making parks and outdoor public places smoke-free would improve the health of the community	76%	85%
Workers are entitled to smoke-free workplaces, even if those workplaces are outside	80%	83%
Fewer people would use tobacco products if it were harder to purchase them	54%	62%
I personally have been negatively impacted by smoking or tobacco use	54%	53%
My community has been negatively impacted by smoking, vaping, or other tobacco use	59%	68%
My city council (or board of supervisors) should take action on tobacco	53%	62%
I would be more likely to vote for a policymaker that advocates for phasing out the sale of tobacco products in our community	47%	62%
Would you support or oppose eventually eliminating the sale of tobacco in your community?	54%	64%

New Laws

Prop 31/SB 793

- Prohibits the Sale of Certain Tobacco Products
- Effective **December 21,** 2022
- 63.4% voted "YES" (Statewide)
- **56.9%** voted "YES" (El Dorado)

AB 935

- Creates a greater enforcement of the ban on flavored tobacco.
- Effective **October 9, 2023**

We are at a critical point!

Industry Snapshot

Cigarette and smokeless tobacco companies spend billions of dollars each year to market their products.

Exposure to tobacco marketing in stores increases tobacco experimentation and use by youth and is more powerful than peer pressure.

The FDA is continuing to work through applications for more than 26 million vape products.

Importance of Policies

The best public health activities help many people at once.

Promote Tobacco Cessation

- Bus Stop Ads
- EffecTV commercials
- EDCGOV.ORG
- Community Outreach Events
- Prescription Rx Bags



Reduce Exposure to Secondhand smoke, tobacco residue, tobacco waste, and other tobacco products

Secondhand smoke (SHS) exposure

- The U.S. Surgeon General has declared that there is **no risk-free level** of exposure to SHS meaning that even small amounts of smoke have the potential to cause disease and death.
- About **25% of nonsmokers** and **40% of children ages 3-11** are still exposed to SHS.
- Smoke-free laws are the **most effective way** to protect all individuals from SHS exposure.
- Examples of smoke-free laws include smoke-free multi-unit housing, and smoke-free outdoor public spaces.
- Residents of multi-unit housing are particularly likely to be exposed to SHS.





Limit Tobacco Promoting Influences

Reduce the availability of harmful tobacco products

- **Advertising**
  - SLT City Code limits window signage that does not exceed **five percent** of the window area.
- **Tobacco Retailer Licensing (TRL)**
  - An extremely effective approach to **regulate businesses**. License fees can fund enforcement.
- **Tobacco Retail Zoning**
  - A type of land use regulation that can **restrict the number, location, and/or density of tobacco retail outlets.**

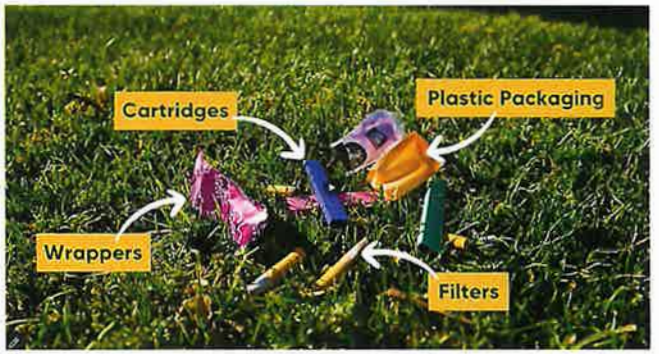
Currently NO municipalities in El Dorado County have tobacco retailer licensing or zoning restrictions.

Reduce Exposure to Secondhand smoke, tobacco residue, tobacco waste, and other tobacco products

What is tobacco waste?

- E-cigarettes/vapes (hazardous material)
  - Nicotine and nicotine salts: Classified as an acute hazardous waste, extremely toxic to humans at low doses.
  - Batteries: Hazardous waste, fire and explosion risk
  - Metals: Leaching of cobalt and other toxic metals, leach into ground and water.
- Cigarette butts are poisonous when ingested by children or animals and are non-biodegradable.





Reduce Exposure to Secondhand smoke, tobacco residue, tobacco waste, and other tobacco products

How big is the problem?

- Every year 4.5 trillion cigarette butts are discarded worldwide, making them the most littered item on Earth.
- Disposable e-cigarettes account for about 53% of the multi-billion U.S. vaping market, more than doubling since 2020; and are the most popular among youth.
- U.S. teens and adults are buying roughly 12 million disposable vapes per month.
- Millions of tobacco product waste exists in the form of small, battery-powered devices that are hazardous waste and cannot be reused, recycled, or disposed of in the trash.

How is tobacco waste regulated?

- Adequate regulation is not yet in place.
- Most retailers are not aware of the statutory requirements.

Next Steps

Seeking South Lake Tahoe City Council direction.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #:3

Agenda Item: City Council Meeting Minutes

Executive Summary: The Minutes of the last meeting have been prepared by the City Clerk for approval.

Requested Action / Suggested Motions: Pass a Motion approving the November 21, 2023 Regular City Council and South Tahoe Redevelopment Successor Agency meeting minutes.

Responsible Staff Member: Susan Blankenship, City Clerk

Reviewed and Approved By: Susan Blankenship, City Clerk

Attachments:

11 21 2023 City Council Minutes.pdf

City of South Lake Tahoe
City Council
Meeting Minutes
Tuesday, November 21, 2023 at 5:30 pm
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

NOTE: The Meeting Minutes represent actions taken during the meeting of the City Council. Complete Council member discussions on Regular Session meeting items can be viewed in archived video recordings on the City's website at http://www.cityofslt.us *Public submittals on items are retained in the administrative record and can be viewed in the City Clerk's repository at* http://www.cityofslt.us

Call to Order/Pledge of Allegiance

At 5:34 p.m. Mayor Creegan called the meeting to order. Creegan then led the pledge of allegiance to the flag.

Roll Call

Present were Mayor Creegan, Mayor Pro Tem Bass, and Councilmembers Friedrich, Wallace and Robbins.

Also present were City Manager Irvin, City Attorney Stroud and City Clerk Blankenship.

Closed Session Report – 11 21 2023

1. **Conference with Real Property Negotiators. Gov. Code section 54956.8.**
   Property: Potential acquisition of 3707 Blackwood Road
   Agency negotiator: Jason Burke, Complete Streets Manager
   Negotiating parties: Keith Minor, Trustee of the Larkin D. Minor QTIP Trust and Trustee of the Minor Legacy Trust
   Under negotiation: Purchase price and terms of payment.
   Action: No reportable action

Proclamations:

1. **Proclamation Recognizing "Hate Has No Place in South Lake Tahoe"**
   Action: Issued a Proclamation to a coalition of South Shore Clergy recognizing, "Hate Has No Place in South Lake Tahoe"

2. **Proclamation Recognizing November 2023 as "National Runaway Prevention Month"**
   Action: Issued a Proclamation to Tahoe Youth and Family Services recognizing November 2023 as "National Runaway Prevention Month"

Public Communications

Public Comment was heard from the following people:

1. Scott- Annexation and fees for snow removal
2. Heidi Mayerhofer, Representative for Senator Marie Alvarado-Gil- Mobile office hours, thank you to Council for Peace Walk *distributed employee certificates of appreciation
3. Melissa Soderston, Tahoe Forests Matter- Forest health
4. Kenney Curtzweiler- Heavenly Village tree lighting, thank you to all partners
5. Annie Davidson, South ShoreClergy- Thank you for Hate Has No Place Proclamation

Written Public Communications were received from the following people:

1. Edith Chase- Cell towers
2. Ernest Coe- Cell towers
3. Shirley Briggs- Cell towers
4. Asa Briggs- Cell towers
5. John Carlos- Cell towers
6. Theo Colborn- Environmental health
7. Saundra Edwards- Cell towers
8. Peter Norman- Overtourism
9. Vasily Sleptsov- Ski Run parcel

City Commission Reports

1. Nicole Ramirez-Thomas, Parks and Recreation Commission- Provided a verbal report of the Parks and Recreation Commission (Item 4)

Consent Agenda

Note: Items 4, 5, 7, 13, and 16 were pulled from consent by Councilmember Robbins.
Action: Moved/Seconded: Wallace/Friedrich
Yes: Creegan**,** Bass, Friedrich, Wallace, and Robbins
Action: Passed Consent Agenda. Items 13 and 16 were voted on separately. Items 4, 5, and 7 were received and filed.

3. City Council Meeting Minutes
Action: Passed **Motion 2023-099** approving the November 7, 2023 meeting minutes.

4. Independent Citizens' Oversight Committee (Measure P), Arts Culture, and Tourism Commission, and Parks & Recreation Commission Annual Reports
Action: Received and Filed.

5. Planning Commission and Airport Land Use Commission Annual Report to City Council
Action: Received and Filed.
Note: John Stark provided a verbal report of the Arts, Culture, and Tourism Commission.
The following people addressed the Council:

1. Stacey Ballard, Arts, Culture and Tourism Commissioner

6. Building Board of Appeals Annual Report to City Council
Action: Received and filed.

7. Police Advisory Commission Annual Report
Action: Received and Filed.
Note: Chief of Police David Stevenson provided a verbal report of the Police Advisory Commission.
The following people addressed the Council:

1. Erika Gonzalez, Chair, Police Advisory Commission

8. Ordinance Requiring Good Faith Effort on Local Hiring on Public Works Projects (Second Reading)
Action: Passed **Ordinance 2023-1179** amending South Lake Tahoe City Code Title 3, Chapter 3.45, Article II (Public Contracts and Uniform Public Construction Cost Accounting Act) to require a good faith effort for local hiring on public works projects.

9. Inclusionary Housing Ordinance (Second Reading)
Action: Passed **Ordinance 2023-1180** amending Title 6 of the South Lake Tahoe City Code to include Chapter 6.27, Inclusionary Housing.

10. Ratification of Application for State and El Dorado County Funding for Police Boating Safety and Enforcement Program

Action: Passed **Resolution 2023-106** ratifying the application for financial aid from the California State Boating and Enforcement Aid Program **(C-241-2023)**; authorizing the Mayor, or the Police Chief, to sign the application for financial aid, the program agreement, and each reimbursement claim; authorizing acceptance of financial aid award from the California State Boating and Enforcement Aid Program in amount up to $100,279.17 and acceptance of El Dorado County vessel property taxes, confirmed by the El Dorado County Auditor in the amount up to $63,792.00 for a total program amount up to $164,071.17; and authorizing budget of that amount into the current City's budget into account #237 02110 effective July 1, 2024.

11. Appropriation of Funds for Terminal Repairs

Action: Passed Resolution **2023-107** authorizing the Finance Director to appropriate $145,000.00 from Airport Available Fund Balance for for Airport Maintenance needs, including a Temporary Employee and Deferred Maintenance.

12. Application for Caltrans Sustainable Transportation Planning Grant for U.S. Highway 50 and 89 Corridors

Action: Passed Resolution **2023-108** authorizing the Director of Public Works to submit a grant application **(C-242-2023)** for the Caltrans Sustainable Transportation Planning grant program fund in an amount up to $700,000, appropriating $20,000 from General Fund Undesignated Excess Reserves for consultant services to assist with preparing the grant application, and setting aside up to $80,000 in matching funds from General Fund Undesignated Excess Reserves.

Public Comment was heard from the following people:

1. Ed Mosur

13. Amendment to Agreement with Placemate to Extend Term and Fund "Lease to Locals" Rental Incentive Grant Program for One Year

Action: Passed Resolution **2023-109** authorizing and directing the Mayor to execute Amendment No. 2 **(C-243-2023)** to Agreement with Placemate (formerly Landing Locals) to extend term of "Lease to Locals" Rental Incentive Grant Program until January 15, 2025 and authorizing budget appropriations of $100,000.

Action: Moved/Seconded: Wallace/Friedrich

Yes: Creegan, Bass, Friedrich, Wallace, Robbins

The following person addressed the Council:

1. Chase Janvrin, Placemate General Manager

14. Agreement with Lew Edwards Group to Provide Ballot Measure Consulting Services

Action: Passed **Motion 2023-100** authorizing and directing the Mayor to execute sole source agreement with Lew Edwards Group **(C-244-2023)** for ballot measure consulting services in an amount not to exceed $107,500.

Public Comment was heard from the following people:

1. Ed Mosur

15. Memorandum of Understandings (MOU's) with the Police Officers' Association, Police Supervisors' Committee, Local 39 Administrative and Confidential, and Local 39 General & Public Works.

Action: Passed **Resolution 2023-110** approving MOU's with the Police Officers' Association **(C-252-2023)**, the Police Supervisors' Committee **(C-253-2023)**, Local 39 Administrative and Confidential **(C-254-2023)**, and Local 39 General & Public Works **(C-255-2023)**.

16. Amendment to Heavenly Parking Agreement

Note: City Manager Irvin recused himself on this item due to property interest in the area and left the meeting.

Action: Moved/Seconded: Bass/Friedrich

Yes: Creegan, Bass, Friedrich, Wallace, Robbins

Action: Passed **Motion 2023-101** authorizing and directing the Mayor to execute Amendment 1 to the Heavenly Parking Agreement **(C-245-2023)**.

Public Comment was heard from the following people:

1. Kenney Curtzweiler

17. Agreements with BPR Consulting Group, 4Leaf Inc., and TRB and Associates for Inspection, Plan Review, and Permit Technician Services

Action: Passed **Motion 2023-102** authorizing and directing the Mayor to execute Professional Services Agreements with BPR Consulting Group **(C-246-2023)**, 4Leaf Inc. **(C-256-2023)**, and TRB and Associates **(C-257-2023)** for Plan Review Services, Permit Technician Services, and Inspection Services for a cumulative total amount not to exceed $230,000 over a three-year term.

Regular-Unfinished Business

18. Amendment to Funding Agreement with the South Shore Transportation Management Association

Note: Staff provided an updated Attachment 03.

Action: Moved/Seconded: Bass/Friedrich

Yes: Creegan, Bass, Friedrich, Wallace, Robbins

Action: Passed Motion **2023-103** authorizing and directing the Mayor to execute Amendment 1 **(C-247-2023)** to the Funding Agreement with the South Shore Transportation Management Association (SS/TMA); Passed **Resolution 2023-111** appropriating an additional $500,000 for Microtransit Service from General Fund Undesignated Excess Reserves to fund SS/TMA Agreement Amendment 1, with an additional $200,000 that will be tied to the SS/TMA receiving the TDA funds for microtransit.

Public Comment was heard from the following people:

1. Duane Wallace
2. Ed Mosur
3. Steve Teshara, Chair, SSTMA Board of Directors
4. Sharon Kerrigan, South Tahoe Association of Realtors *written material provided

19. Draft City Charter

Action: Moved/Seconded: Creegan/Bass

Yes: Creegan, Bass, Friedrich, Robbins

No: Wallace

Action: Passed **Motion 2023-104** authorizing the Ad Hoc Charter City Subcommittee to initiate public outreach on draft city charter.

Public Comment was heard from the following people:

1. Duane Wallace, CEO of South Tahoe Chamber of Commerce
2. Ed Mosur
3. Scott
4. Steve Teshara, Tahoe Chamber of Commerce
5. Sharon Kerrigan, South Tahoe Association of Realtors *written material distributed

Written Public Comment was received from the following people:

1. Terri Jinkens
2. David Jinkens
3. Doug Rosner
6. Duane Wallace, CEO of South Tahoe Chamber of Commerce
7. Spencer
8. Kathleen and Steven

20. Update on the Multi-Family Dwelling (MFD) Inspection and Single Room Occupancy (SRO) Programs

Action: Received and Filed.

Regular-New Business

21. Short Term Rental Enforcement

Note: Robbins requested a future agenda item for raising illegal VHR fines and to begin enforcement against internet listing agencies through the interpretation of the current City Code (Council provided consensus).

Action: Received presentation.

Public Comment was heard from the following people:

1. Diane Reese, Tahoe Neighborhoods Group
2. Peggy Bourland, Tahoe Neighborhoods Group
3. Ed Mosur

Written Public Comment was received from the following people:

1. John Kolesar
2. Kathleen Bailey

22. 2024 City Council Meeting Schedule

Action: Moved/Seconded: Bass/Friedrich

Yes: Creegan, Bass, Friedrich, Wallace, Robbins

Action: Passed **Resolution 2023-112** adopting the 2024 City Council regular meeting schedule.

23. City Council Travel Authorization - 2024 Civicwell Policymaker Conference (March 14-17, 2024)

Action: No action taken

Public Comment was heard from the following people:

1. Ed Mosur

24. Amendments to Cannabis Ordinance, Public Safety License Ordinance, and Clean Indoor Air Ordinance Regarding On-Site Consumption, Medicinal Delivery, and to Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries

Note: Mayor Pro Tem Bass recused himself on this item due to financial interest in the cannabis industry and left the meeting.

Public Comment was heard from the following people:

1. Melissa Soderston
2. Ryan O'Malley, Tahoe Wellness Center
3. Ed Mosur
4. Jess, Cannablue Dispensary
5. Alex Gosselin, Owner of Cannablue Dispensary
6. Scott
7. Angie Regan
8. Sarah, Cannablue Dispensary

Action: This item was continued to the December 12, 2023 City Council meeting.

Adjournment

At 9:57 p.m. Mayor Creegan took an oral vote of Councilmembers present, to continue the meeting past 10 p.m. Councilmembers Friedrich, Wallace and Robbins voted yes, Mayor Creegan voted no. Consistent with City Council protocols, requiring a unanimous vote, Mayor Creegan adjourned the meeting.

Agenda Planning Calendar

25. Agenda Planning Calendar

Updates and Announcements (City Attorney, City Clerk, City Manager)

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

_____ _____

Cristi Creegan, Mayor Date

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #:4

Agenda Item: Investment Portfolio Report - September 30, 2023

Executive Summary: In accordance with the City of South Lake Tahoe Financial Policies and State law, a quarterly investment report is hereby submitted to the members of the City Council. As of September 30, 2023, the City's total cash and investment balances across all funds is $173.9 million.

Requested Action / Suggested Motions: Receive and file.

Responsible Staff Member: Olga Tikhomirova, Director of Finance

Reviewed and Approved By: Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

01-Staff Report - Investment Report Sept. 2023.docx
02-Operations Cash 09 30 2023.pdf
03-Fiscal Agent 09 30 2023.pdf
04-Graph 09 30 2023.pdf
05-Cash September 2023.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: Investment Portfolio Report as of September 30, 2023

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530) 542-7431

Background: In accordance with the City of South Lake Tahoe Financial Policies and State law a quarterly investment report shall be submitted to the members of the City Council.

Issue and Discussion: The attached report for the period ending September 30, 2023, describes the type of investments, the issuers, the maturity dates, the par value and the market value. Total cash for operations and cash held by fiscal agents is $173,852,446.

Cash available for operations is $102,537,908. This includes Cash in Bank of $12,379,107 with the remaining amount in various investments diversified in accordance with the City's adopted Investment Policy. The total portfolio yield is 4.20%. Based on this report the City of South Lake Tahoe will be able to meet projected operating expenditures for the next six months.

Cash held by fiscal agents for debt service is $71,314,538. These investments comprise the reserves and other accounts held in trust for debt service, lease financing, and capital projects financed with debt.

Fund Type	Total Cash Balance	Operations Balance	Fiscal Agent Balance
Trust and Agency	$12,101,058	$1,740,101	$10,360,957
Special Revenue	$36,445,296	$36,445,296	-
General Fund	$28,714,870	$28,714,870	-
Internal Service	$8,173,594	$8,173,594	-
Debt Service	$58,451,389	$305,351	$58,146,038
Enterprise	$10,112,074	$7,304,531	$2,807,543
CIP	$19,854,165	$19,854,165	-
Grand Total	**$173,852,446**	**$102,537,908**	**$71,314,538**

The attached documents include investment terms that are defined below:

- Current yield – The investments annual income (interest or dividends) divided by the current price of the security.
- Weighted par – Weighting the price of each bond by the total price of the entire portfolio.
- Weighted yield – The current yield multiplied by the weighted par, provides the yield of the bonds in the portfolio.

Financial Implications: None.

Environmental Considerations: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) Guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies)

Policy Implications: Consistent with City's Financial Policies.

CITY OF SOUTH LAKE TAHOE
OPERATIONS CASH INVESTMENT PORTFOLIO REPORT
AS OF SEPTEMBER 30, 2023

INVESTMENT TYPE	ISSUER	PAR VALUE	MARKET VALUE	CURRENT YIELD	WEIGHTED PAR	WEIGHTED YIELD	MATURITY DATE
Local Agency Investment Fund	State Treasurer	$ 42,172,396	$ 41,594,960	3.53%	41.1%	1.45%	N/A
Federal Home Loan Bank	Government Agency	$ 1,000,000	$ 896,655	1.00%	0.98%	0.01%	5/27/2026
Federal Farm Credit Banks	Government Agency	$ 1,000,000	$ 894,981	1.50%	0.98%	0.01%	12/14/2026
Federal Farm Credit Banks	Government Agency	$ 1,000,000	$ 983,290	1.67%	0.98%	0.02%	3/8/2024
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 932,454	3.00%	0.98%	0.03%	3/29/2027
Federal Farm Credit Banks	Government Agency	$ 1,000,000	$ 948,515	3.11%	0.98%	0.03%	4/13/2026
Fed. Home Loan Bank	Government Agency	$ 2,000,000	$ 1,976,401	2.63%	1.95%	0.05%	2/26/2024
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 982,911	4.25%	0.98%	0.04%	6/20/2025
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 956,928	4.10%	0.98%	0.04%	6/30/2027
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 975,290	5.00%	0.98%	0.05%	9/30/2027
Fed. Home Ln Mtg Corp	Government Agency	$ 1,000,000	$ 992,237	5.05%	0.98%	0.05%	12/19/2024
Fed. Home Ln Mtg Corp	Government Agency	$ 1,000,000	$ 991,208	5.30%	0.98%	0.05%	11/28/2025
Fed. Home Ln Mtg Corp	Government Agency	$ 2,000,000	$ 1,986,846	5.00%	1.95%	0.10%	8/22/2024
Fed. Home Loan Bank	Government Agency	$ 2,000,000	$ 1,974,637	4.75%	1.95%	0.09%	1/30/2025
Fed. Home Ln Mtg Corp	Government Agency	$ 2,000,000	$ 1,988,289	5.50%	1.95%	0.11%	3/13/2025
Fed. Home Loan Bank	Government Agency	$ 1,000,000	$ 998,061	5.00%	0.98%	0.05%	1/5/2024
Fed. National Mtg Association	Government Agency	$ 2,500,000	$ 2,492,212	5.13%	2.44%	0.12%	4/26/2024
Fed. Home Loan Bank	Government Agency	$ 2,500,000	$ 2,496,287	5.13%	2.44%	0.12%	1/26/2024
Fed. Home Loan Bank	Government Agency	$ 2,500,000	$ 2,494,143	5.10%	2.44%	0.12%	2/15/2024
Fed. Home Ln Mtg Corp	Government Agency	$ 1,000,000	$ 998,074	6.00%	0.98%	0.06%	8/16/2028
U.S. Treasury Bill	Treasury Obligations	$ 7,307,025	$ 7,416,054	5.37%	7.13%	0.38%	12/14/2023
U.S. Treasury Bill	Treasury Obligations	$ 7,305,975	$ 7,408,103	5.43%	7.13%	0.39%	12/21/2023
U.S. Treasury Bill	Treasury Obligations	$ 4,866,655	$ 4,882,083	5.51%	4.75%	0.26%	3/7/2024

CITY OF SOUTH LAKE TAHOE
OPERATIONS CASH INVESTMENT PORTFOLIO REPORT
AS OF SEPTEMBER 30, 2023

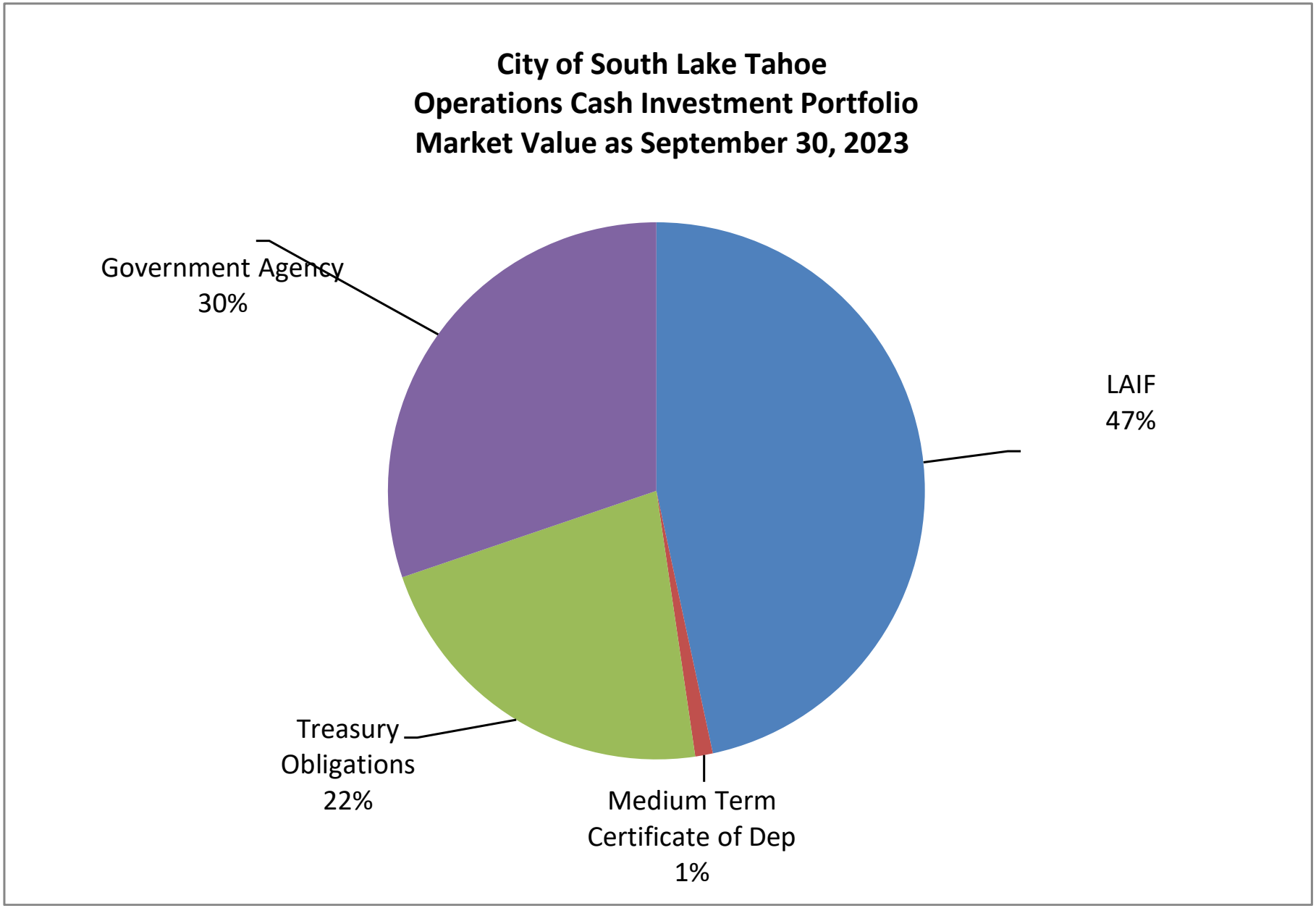
Certificate of Deposit	Barclays bank/Delaware	$	250,000	$	245,426	2.85%	0.24%	0.01%	6/3/2024
Certificate of Deposit	Capital One NA	$	250,000	$	240,022	3.10%	0.24%	0.01%	6/2/2025
Certificate of Deposit	Capital One Bank (USA) NA	$	250,000	$	235,789	3.15%	0.24%	0.01%	6/2/2026
Certificate of Deposit	State Bank of India	$	250,000	$	233,493	3.30%	0.24%	0.01%	6/1/2027
Cash in Bank General & Sweep		$	12,379,107	$	12,379,107	0% - 5.20728%	12.07%	0.52%	N/A
Petty Cash		$	6,750	$	6,750	N/A	0.01%	0.00%	N/A
TOTAL		$	102,537,908	$	101,601,207			**4.20%**	**(Total Portfolio Yield)**

The Investment porfolio at September 30, 2023 is in compliance with the Investment Policy of the City of South Lake Tahoe. The City of South Lake Tahoe will be able to meet its projected expenditure requirements for the next six months. Valuation is based upon the State Treasurer's Office LAIF quarterly apportionment rates and US Bank Safekeeping.

CITY OF SOUTH LAKE TAHOE INVESTMENT REPORT
CASH AND INVESTMENTS HELD WITH FISCAL AGENTS
AS OF SEPTEMBER 30, 2023

BOND ISSUE ACCOUNT	INVESTMENT TYPE	ISSUER	COST VALUE	MARKET VALUE	CURRENT YIELD	MATURITY DATE
So Tahoe JPFA Lease Rev Bonds 2023 A						
Project Fund	Dreyfus Gov Sec CM Inst 227	Dreyfus	56,166,967	56,166,967	5.21%	N/A
Lease Revenue Fund	Dreyfus Gov Sec CM Inst 227	Dreyfus	226,455	226,455	5.21%	N/A
Cost of Issuance Account	Dreyfus Gov Sec CM Inst 227	Dreyfus	95,505	95,505	5.21%	N/A
So Tahoe JPFA Ref Lease Rev Bonds 2016 A						
Lease Revenue Fund	Blackrock Treasury Trust	Bank of New York Mellon	798	798	5.23%	N/A
Interest	Blackrock Treasury Trust	Bank of New York Mellon	74,037	74,037	5.23%	N/A
Principal	Blackrock Treasury Trust	Bank of New York Mellon	1,215,002	1,215,002	5.23%	N/A
Reserve	Assured Guaranty Municipal	Bank of New York Mellon	-	2	0.00%	N/A
So Tahoe JPFA Parking Rev Bonds 2013						
Debt Service Reserve	Blackrock Treasury Trust	Bank of New York Mellon	591,075	591,075	5.23%	N/A
Refunding Account	Blackrock Treasury Trust	Bank of New York Mellon	77	77	5.23%	N/A
Debt Service Account	Blackrock Treasury Trust	Bank of New York Mellon	204,306	204,306	5.23%	N/A
Supplemental Reserve	Blackrock Treasury Trust	Bank of New York Mellon	2,012,084	2,012,084	5.23%	N/A
Principal	Blackrock Treasury Trust	Bank of New York Mellon	0	0	4.76%	N/A
So Tahoe JPFA Ref Rev Bonds 2014 A, 2015 A, 2017 A						
Revenue Fund	Blackrock Treasury Trust	Bank of New York Mellon	117	118	5.19%	N/A
Interest	Blackrock Treasury Trust	Bank of New York Mellon	1,176,567	1,176,567	5.23%	N/A
Principal	Blackrock Treasury Trust	Bank of New York Mellon	2,816,139	2,816,139	5.23%	N/A
Surplus	Blackrock Treasury Trust	Bank of New York Mellon	156	156	5.23%	N/A
So Tahoe JPFA (RPA 1) Reserve	Blackrock Treasury Trust	Bank of New York Mellon	5,348,056	5,348,056	5.23%	N/A
Successor Agency to the So Tahoe RDA, CFD 2001-1, Refdg Series 2015						
Special Tax	Blackrock Treasury Trust	Bank of New York Mellon	365,408	365,408	5.23%	N/A
Interest	Blackrock Treasury Trust	Bank of New York Mellon	85,192	85,192	5.23%	N/A
Reserve	Blackrock Treasury Trust	Bank of New York Mellon	569,072	569,072	5.23%	N/A
Surplus	Blackrock Treasury Trust	Bank of New York Mellon	248	248	5.23%	N/A
City of South Lake Tahoe 2014 Pension Obligation Bonds						
Interest	Blackrock Treasury Trust	Bank of New York Mellon	3,286	3,286	5.23%	N/A
Principal	Blackrock Treasury Trust	Bank of New York Mellon	1,117	1,117	5.23%	N/A
City of So Lake Tahoe 2012 COPS, Road Improvmt.						
Lease Payment Fund	First American Govt Obligation Fund/Money Mkt	US Bank	14,222	14,222	4.81%	N/A
Reserve Account	First American Govt Obligation Fund/Money Mkt	US Bank	348,646	348,646	4.81%	N/A
	TOTAL		71,314,535	71,314,538		

Valuation is based upon the valuations contained in the monthly statements provided by the trust departments of the fiscal agents.


City of South Lake Tahoe
Operations Cash Investment Portfolio
Market Value as September 30, 2023
Government Agency
30%
LAIF
47%
Treasury
Obligations
22%
Medium Term
Certificate of Dep
1%

CITY OF SOUTH LAKE TAHOE
CASH REPORT
SEPTEMBER 30, 2023

FUND #	FUND NAME	OPERATIONS CASH BALANCE	FISCAL AGENT CASH BALANCE	TOTAL CASH BALANCE	SUBTOTAL BY CATEGORY OPERATIONS	SUBTOTAL BY CATEGORY FISCAL AGENT	TOTAL CASH BALANCE
100	General Fund	28,216,143.13		$28,216,143.13			
102	Measure S - Sales Tax	498,727.20		$498,727.20	$28,714,870	$0	$28,714,870
201	Gas Tax 2105	105,943.19		$105,943.19			
207	Snow Removal	262,545.86		$262,545.86			
208	Snow Removal - Equipment Replac	3,530,787.96		$3,530,787.96			
210	Vehicle Replacement	130,966.92		$130,966.92			
211	Police Vehicle Replacement	461,371.85		$461,371.85			
213	Fire Vehicle Replacement	865,960.98		$865,960.98			
215	Disaster Relief	(75,539.35)		($75,539.35)			
216	Transit Center	40,584.98		$40,584.98			
217	Arts Program	7,859.82		$7,859.82			
218	VHR Program	292,436.60		$292,436.60			
220	Parks and Recreation	13,377,373.20		$13,377,373.20			
221	Ice Arena	84,895.88		$84,895.88			
222	Fire Safety Sales Tax	132,874.07		$132,874.07			
223	Cannabis Program	1,491,253.85		$1,491,253.85			
224	PEG Programming	304,481.79		$304,481.79			
225	Tobacco Law Enforcement Grant	9,506.16		$9,506.16			
229	DUI/Traffic Safety Grant	(35,837.30)		($35,837.30)			
230	Local Law Enforcement	1,994.32		$1,994.32			
231	AB3229 COPS	112,844.86		$112,844.86			
232	Safety Sales Tax	500,882.54		$500,882.54			
233	Forfeiture - State Fund	38,477.07		$38,477.07			
235	Forfeiture - Justice Fund	10,619.30		$10,619.30			
236	EMS - JPA	348,317.97		$348,317.97			
237	Boat Patrol - Grant	34,837.98		$34,837.98			
238	Domestic Violence (DVRT) Grant	5,253.01		$5,253.01			
240	Solid Waste AB939	33,135.87		$33,135.87			
241	Clean Community	24,258.88		$24,258.88			
242	Vehicle Abatement	158,195.28		$158,195.28			
243	Nuisance Abatement	149,504.78		$149,504.78			
244	Solid Waste JPA	1,132,594.49		$1,132,594.49			
245	Storm Water Mgmt/Sweeping	156,058.87		$156,058.87			
250	Hsng&ED - Work Force Housing	5,836,711.85		$5,836,711.85			
251	Hsng & Ed - Home	1,053,887.50		$1,053,887.50			
252	Hsng & Ed - CDBG	130,141.12		$130,141.12			
253	Hsng & Ed - Administration	187,598.92		$187,598.92			
255	CDBG Program Income Loans	142,608.45		$142,608.45			
256	CDBG Economic Development	(144,908.08)		($144,908.08)			
257	CDBG - ED Program Income	0.00		$0.00			
258	Calhome Loan Repayments	132,327.66		$132,327.66			
259	First Time Homebuyers Rev Loan	9,674.99		$9,674.99			
263	TOT Revenue Fund	1,808,185.59		$1,808,185.59			
270	General Plan/Community Plan	687,311.18		$687,311.18			
271	Building Permit Fees	1,817,225.65		$1,817,225.65			
280	Ski Run Business Improvement	8,983.19		$8,983.19			
281	Measure S Maintenance Fund	75,118.71		$75,118.71			
284	Measure S City Maintenance	427,133.97		$427,133.97			
285	Tourism Improvement District (TID)	356,238.73		$356,238.73			
290	Opioid Settlement Proceeds	222,615.43		$222,615.43	$36,445,297	$0	$36,445,297
301	City CIP	19,018,459.23		$19,018,459.23			
303	City CIP - Reg.Surf.Transp.Progr	199,072.51		$199,072.51			
306	Rehab Water Quality Projects	2,892.03		$2,892.03			
310	Long term Capital Replacement	416,533.64		$416,533.64			
320	Housing - CIP Projects	217,207.62		$217,207.62	$19,854,165	$0	$19,854,165
401	City Debt Service	305,350.59	58,146,038.26	$58,451,388.85	$305,351	$58,146,038	$58,451,389
501	Airport	2,334,624.40		$2,334,624.40			
510	Parking Management Bellamy	182,068.28		$182,068.28			
515	Parking Management Plan	20,187.44		$20,187.44			
520	Parking Garage	4,176,355.64	2,807,542.67	$6,983,898.31			
550	Transit - Stage	591,294.84		$591,294.84	$7,304,531	$2,807,543	$10,112,073
601	Self Insurance - Health, Vision, Den	607,430.10		$607,430.10			
602	Self Insurance - Workers Comp	6,089,053.72		$6,089,053.72			
604	Payroll	1,452,665.45		$1,452,665.45			
605	Health Insurance Savings	24,444.53		$24,444.53	$8,173,594	$0	$8,173,594
701	Trust	917.00		$917.00			
707	Park Avenue CFD Fund	875,796.31	1,019,921.08	$1,895,717.39			
711	Bijou ECP CFD	166,570.58		$166,570.58			
712	Harrison Avenue CFD	163,474.72		$163,474.72			
725	RD Obligation Retirement Fund	525,354.79	9,341,035.65	$9,866,390.44			
751	Special Assessment District	4,572.00		$4,572.00			
762	Tahoe Transportation Authority	3,416.00		$3,416.00	$1,740,101	$10,360,957	$12,101,058
	Total Cash and Investments	$102,537,908.29	$71,314,537.66	$173,852,445.95	$102,537,908	$71,314,538	$173,852,446

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #:5

Agenda Item: Fiscal Year 2022-23 Quarterly Financial Status Report - Quarter Ending September 2023

Executive Summary: In accordance with the City's Financial Policies, the Finance Department submits reports to City Council on a periodic basis to provide assurance of budget compliance and for informational and comparative purposes. Attachment 2, â€œFY 2022/23 Quarterly Budget and Financial Status Report for Period Ending September 30, 2023â€ summarizes operating revenues and operating expenditures (unaudited figures) for the General Fund and Measure S Sales Tax fund for the year-to-date providing an analysis of any significant budget variances.

Requested Action / Suggested Motions: Receive and file.

Responsible Staff Member: Andrew Black, Financial Services Supervisor

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff Report - FY 2022-23 Quarterly Budget
02-FY 2022-23 Qtrly Budget Report Sept 2023

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: Fiscal Year 2022/23 Quarter End Financial Status Report as of September 2023

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance, (530) 542-7431; Andrew Black, Financial Services Supervisor, (530) 542-6016

Background: The Finance Department submits quarterly reports to City Council to provide assurance of budget compliance and for informational and comparative purposes throughout the year. Attachment 2, "FY *2022/23 Quarterly Budget and Financial Status Report for Period Ending September 30, 2023"* covers the preliminary results of the entire fiscal year 2022-23 period. The report summarizes General Fund operating revenues and operating expenditures (unaudited figures) and provides an analysis of any significant budget variances.

Issue and Discussion: At the end of the fourth quarter with 100% of the year complete, actual revenues within the primary General Fund were at 106.4% of the amended budget, while expenditures were at 93.6% of appropriations. All departmental expenditures were below the total allocated budget.

Through September 30th, the City received Measure S Sales Tax payments, accounted for in a separate general fund, totaling $7.9 million. This revenue was allocated to various projects and programs, such as Fire and Police safety positions and programs, including 7 firefighters previously partially funded by a SAFER grant, streets and snow removal vehicle and equipment replacement, road rehabilitation, and several others. See Attachment 2 for further analysis.

Financial Implications: At the end of the Fiscal Year 2022-23, total budgeted expenditures were projected to exceed revenues by $5.8 million. Based on preliminary unaudited actual results, General Fund revenues exceeded expenditures by $1.5 million. The Finance department will submit the final year-end results in the form of an Annual Comprehensive Financial Report (ACFR) including audited financial statements to the City Council in May of 2024.

Environmental Considerations: This is not a "project" subject to review under the California Environmental Quality Act (CEQA) Guidelines section 15378(b)(5) (organizational or administrative activities that will not result in direct or indirect physical changes in the environment).

Policy Implications: Consistent with City's Financial Policies.

CITY OF SOUTH LAKE TAHOE
2022-23 QUARTERLY FINANCIAL REPORT
4TH QUARTER ENDING SEPTEMBER 30, 2023

This report summarizes the City's financial position for the General Fund for Fiscal Year 2022-23 displaying expenditures at the department level and revenues by type. It compares actual revenues and expenditures received through September 2023 (preliminary unaudited figures) to the total budget.

General Fund Financial Condition

As of September 30th, with 100% of the year complete, General Fund revenues are at 106.4% of projections and expenditures are at 93.6% of appropriations.

Revenues. The top three revenues, Property Tax, City Transient Occupancy Tax (TOT), and Sales Tax generated 56.5% of the total $58.1 million General Fund revenues collected through September 30th. Overall revenues were $5.0 million higher than last fiscal year 2021-22.

Revenues by Type	Total Budget as of Sept 30	Actuals through Sept 30	As % of Budget
Property Tax	$ 10,160,000	$ 10,643,052	104.8%
Transient Occupancy Tax - City	10,413,562	10,943,007	105.1%
Transient Occupancy Tax - Project Area	7,040,000	7,283,796	103.5%
Sales Tax	7,100,000	7,304,010	102.9%
Measure Q	3,500,000	3,955,207	113.0%
Motor Vehicle License Fees (MVLF)	2,515,000	2,745,534	109.2%
Franchise Taxes	1,650,000	1,805,349	109.4%
Business License Tax	1,692,000	2,147,573	126.9%
Finance - Other Revenues	1,128,050	2,419,509	214.5%
General Government	252,483	168,130	66.6%
Police	2,233,796	2,490,254	111.5%
Fire	3,164,530	1,680,850	53.1%
Public Works	493,300	749,247	151.9%
Development Services	1,459,503	2,123,817	145.5%
Parks and Recreation	1,068,481	758,569	71.0%
Transfers In	392,438	362,438	92.4%
Miscellaneous General Fund	351,699	526,413	149.7%
REVENUES TOTAL	**$ 54,614,842**	**$ 58,106,756**	**106.4%**

Property Tax and Motor Vehicle License Fees (MVLF) increased from the previous fiscal year by 10% ($963K) and 8.3% ($211K) respectively, driven by higher home sale prices and rising property value assessments within South Lake Tahoe.

Transient Occupancy Tax (TOT) receipts, including TOT from the Project area but excluding TOT audits, showed a slight increase of $139K, or approximately 1% above previous year. Sales Tax and Measure Q revenue combined also showed a 1% increase ($57K) when compared to last fiscal year 2021-2022.

Increases in various other revenue categories and sources have significantly contributed to the overall revenue growth of $5.0 million in comparison to the previous year. These increases include Interest Income ($1.1M), Business License Tax ($273K), Parking/Code Citation Fines ($428K), building fees ($415K), and transfers in ($328K).

In comparison to the current year's budget, Fire department revenues were $1.5M below projections primarily due to a multi-year project funded by the Southern Nevada Public Land Management Act (SNPLMA) grant and lower than projected overtime reimbursements. Parks and Recreation's golf course and recreation program revenues were also lower than anticipated. These budget shortfalls were offset by several revenue categories that performed above budgeted projections, including Development Services ($664K), Police ($256K), Public Works ($256K), as well as those performed above last year's results described previously.

Expenditures. Out of the actual expenditures totaling $56.6 million through September 30th, approximately $33.3 million or 55.9% was allocated to personnel expenses, representing 26 payroll periods or 100% of periods for the year. Out of the remaining 44.1% or approximately $23.3 million of actual expenditures, $11.4 million is attributed to transfers-out, $4.5 million to professional, technical and other contract services, $3.4 million to miscellaneous general expense including taxes and fees, travel and training, communications etc., $1.4 million to purchases of tools, parts, software, machinery and equipment, and the remaining $2.6 million to utilities, general supplies, and other miscellaneous expense.

Expenditures by Department	Total Budget as of Sept 30	Actuals through Sept 30	As % of Budget
General Government	$ 5,261,424	$ 4,900,328	93.1%
Finance	2,738,191	2,579,731	94.2%
Miscellaneous General Fund	16,900,748	16,895,632	100.0%
Police	13,617,368	12,833,318	94.2%
Fire	11,474,696	9,873,398	86.0%
Public Works	4,860,062	4,530,391	93.2%
Development Services	2,120,137	1,740,164	82.1%
Parks and Recreation	3,486,545	3,256,714	93.4%
EXPENDITURES TOTAL	**$ 60,459,171**	**$ 56,609,676**	**93.6%**

Total expenditures at year-end were below budget by $3.8 million (preliminary unaudited figure). A large portion of this amount ($2.1 million, including $300K vacancy factor), is attributed to salary savings. Additionally, approximately $1.6 million was carried over into the new fiscal year to pay for obligations that were budgeted and not fully received or could not be completed in fiscal year 2022-23.

The overall expenditures exceeded last fiscal year 2021-22 by 5.4% or $2.9 million. Approximately $624K is attributed to higher salaries and benefits costs, while the remaining increase is due to utilities expense, technical/professional services, equipment/vehicle purchases, and software implementation costs.

Measure S Sales Tax General Fund

Measure S, a 1% city-wide sales and use tax, went into effect on April 1, 2021. In the FY 2022-23 total budget, this revenue was projected to generate approximately $7.0 million.

Revenues. The City received Measure S Sales Tax totaling $7.9 million for Fiscal Year 2022-23.

Expenditures. City Council allocated a significant portion of the total projected annual revenue for various purposes including funding for annual road reconstruction, seven firefighter positions previously funded by the SAFER grant, setting aside funds for the rehabilitation of Fire Station II, and year 3 debt service for the emergency communications system for Fire, Police, and Public Works. Throughout the fiscal year, City Council additionally designated available Measure S fund balance for the creation of the South Shore Fuels Reduction Program, purchase of snow removal equipment and related debt service, and funding for construction of the new Recreation Center. As of September 30th, a total of $7.7 million has been transferred out for these Measure S designated projects and programs.

Measure S Sales Tax	Total Budget as of Sept 30	Actuals through Sept 30	As % of Budget
REVENUES			
Measure S Sales Tax	$ 7,000,000	$ 7,900,148	112.9%
Interest/Dividends Revenue	-	20,009	100.0%
REVENUES TOTAL	**$ 7,000,000**	**$ 7,920,157**	**113.1%**
EXPENDITURES and FINANCING USES			
Technical Services	5,000	-	0.0%
Transfer out to/for:			
Debt Service - Communication System	554,643	554,643	100.0%
Debt Service - Snow Removal Equip	301,361	301,361	100.0%
Fire Marshall postion (50%)	110,692	85,572	77.3%
Fire Station II Rehabilitation	500,000	500,000	100.0%
General Fund - Safety Equip.	121,400	121,400	100.0%
Hazardous Fuels Reduction - Airport	200,000	-	0.0%
Police Lieutenant position	271,745	123,174	45.3%
Police Officer (Tobacco grant not renewed)	70,013	70,013	100.0%
Recreation Center Construction	1,000,000	1,000,000	100.0%
Road Reconstruction	2,500,000	2,500,000	100.0%
Seven (7) Firefighters	979,030	979,030	100.0%
South Shore Fuels Reduction Program	392,987	305,633	77.8%
Stateline Ave Complete Streets	100,000	100,000	100.0%
Storm Water Program	50,000	50,000	100.0%
Stormdrain Replacement	200,000	200,000	100.0%
Street and Snow Vehicle Replacement	843,263	843,263	100.0%
EXPENDITURES TOTAL	**$ 8,200,134**	**$ 7,734,089**	**94.3%**

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #:6

Agenda Item: Purchase of Three Police Patrol Vehicles from National Auto Fleet Group

Executive Summary: This action item would authorize the purchase of three 2024 Chevrolet Tahoe 4WD PPV police vehicles for a total purchase price of $169, 305.75. Although patrol vehicle purchase was expected this fiscal year, the timing of this purchase is the result of a unexpected and immediate vehicle allocation from National Auto Fleet Group. Upfitting vendors have not had sufficient time to respond with proposals, as such the PD will return to council for future authorization to purchase upfitting equipment.

Requested Action / Suggested Motions: Pass a Motion authorizing the purchase of three (3) 2024 Chevy Tahoe 4WD PPV police vehicles using existing budget appropriations up to $169,305.75.

Responsible Staff Member: Jeff Roberson, Police Lieutenant

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff Report - Police Vehicle Replacement.docx
2-2024 Chevy Tahoes National Auto Sales.pdf
3-National Auto Fleet Contract 091521.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: Police Patrol Vehicle Replacement

Location: Citywide

Responsible Staff Member: Jeff Roberson, Police Lieutenant (530) 542-6521

Background: Historically, funding for the purchase of police vehicles has come almost entirely from Proposition 172 – Safety Sales Tax, a restricted revenue source required to be used specifically for Public Safety services which includes sheriffs, police, fire protection, county district attorneys, county corrections and ocean lifeguards. This request to purchase three replacement patrol police vehicles uses funds from that source.

Issue and Discussion: The Police Department seeks to replace aging portions of our fleet as vehicles reach the end of their service life.

The Police Operations Division (marked patrol vehicles) currently has several high mileage vehicles to be replaced. These replaceable patrol cars are near 10 years old, have high mileage, high engine hours, or decommissioned as the result of collisions.

The Police Department seeks to purchase three 2024 Chevrolet Tahoe PPVs to be outfitted as patrol cars.

Chevrolet offers the Tahoe in a 4-wheel drive SUV, police pursuit vehicle (PPV) package. The Police Department has found this specific vehicle to be effective, reliable, and comfortable for all seasons and variable driving conditions in South Lake Tahoe. This vehicle has also been selected and currently driven by the California Highway Patrol. The City's Motor Pool Department endorses the purchase of this vehicle type and brand for the police patrol division to maintain consistency in the police fleet and efficiency in maintenance.

The department recommends purchasing these three marked police vehicles in an amount up to $169,305.75. This vehicle purchase will be done as a cooperative purchase through National Auto Fleet.

Equipment purchases to complete the build out of these vehicles usually accompany this request to purchase police patrol vehicles. A supply chain issue caused allocation of these patrol cars to be significantly delayed through this vendor, and then immediately and unexpectedly available. While the purchase of police vehicles was expected this fiscal year, the timing of this allocation did not allow adequate time for our regular suppliers to respond

with upfitting proposals. Without timely purchase, the dealer will release these allocated patrol vehicles to the wider market. To that point, a second purchase authorization will be brought before the council for the purchase of equipment to upfit these patrol vehicles.

Financial Implications: The expense of this vehicle purchase recommended in this staff report will have no impact on the City General fund.

The 2023-2024 Police Department Vehicle Replacement fund has approximately $464,955 available (21102110 46130).

Purchasing Process: Staff recommends purchasing these vehicles through a cooperative purchase agreement. Our cooperative purchase partner is National Auto Fleet. The purchase price for three 2024 Chevrolet Tahoe 4WD PPV is $169,305.75.

Environmental Considerations: This is not a 'project' subject to review under the California Environmental Quality Act (CEQA) under CEQA guidelines section 15378(b)(2) (continuing administrative or maintenance activities, such as purchases for supplies).

Policy Implications: This report considers Climate Action Plan Action Item EV-2 which directs that city fleet vehicles move toward electric vehicles. In conversations with the Sustainability Coordinator, we agree that emergency response EVs are not a viable option for emergency response police operations at this time. We have agreed that administrative travel vehicles may be the first practical EV option for the police department. There are several components to address by city action or developing technology before bringing EVs into the emergency response fleet.

Infrastructure: The infrastructure at the Police Department requires major upgrades to support EV emergency response vehicles. These upgrades include building wiring, transformers, meters, and the modifications to install each. Indications from Public Works are that components such as transformers may have a lead time of nearly two years from time of order. Additional infrastructure upgrades include a significantly larger emergency generator to carry that capacity in the event of power loss from the grid. However, consideration for such upgrades were discussed as part of future planning to implement Climate Action Plan Action Item EV-2. These discussions include adoption of EV cars for administrative travel cars, and a onetime build out of the electrical infrastructure upgrades for the police fleet. Surface upgrades may come in phases to include tree removal and carport installation to protect charging infrastructure from the weather. The City's Sustainability Coordinator plans to release an RFP for Design of EV Charging Stations this summer. This will include the Police Department as the largest, most expensive, and complex site. The Sustainability Coordinator will be working with Liberty Utilities to get this project site on radar for front-of-meter upgrades.

Other considerations are addressed below and deal indirectly with infrastructure by addressing emergency operations rather than routine patrol operations. These other considerations may become irrelevant in the future as adoption of EV becomes universal. These infrastructure issues also impact contemporary adoption of administrative vehicles.

Fleet Resilience: Emergency operations, such as Caldor, require continuous use with little to no down time for emergency response vehicles. Energy transfer rates (ie, the fill up) for EV require much more down time that energy transfer in ICE emergency response vehicles; however, that difference may diminish in the future as infrastructure for EVs become more universal.
Collisions; damage that may be survivable and/or easily reparable for an ICE emergency response vehicle may be catastrophic for an EV. Sudden loss of a vehicle patrol vehicle may impact normal and emergency police operations with an inordinate and incapacitating delay for EV replacement.

Interoperability: In response to emergencies within and outside the county, our patrol officers often find themselves assisting other police and fire agencies. The nature of an emergency response requires officer and equipment self-sufficiency and ability to self-evacuate. Future SLTPD commitment to outside agency assist will have to come with consideration for EV infrastructure and availability in the affected or assisted area. The limited range of current 100kWh vehicle batteries undermines our police department's ability to respond to assist without consideration for destination infrastructure; a definite impact to our availability for and effectiveness in providing outside assistance.

National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (855) BUY-NJPA • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

Quote ID 202259 R1

October 20, 2023

Mr. Phil Harwood
City of South Lake Tahoe
1700 D Street
South Lake Tahoe, Ca 96150
Delivery Via Email

Dear Mr. Harwood,

In response to your inquiry, we are pleased to submit the following for your consideration:

National Auto Fleet Group will sell, service and deliver at South Lake Tahoe, new/unused 2023 Chevrolet Tahoe 4WD PPV responding to your requirement with the attached specifications for $ 46,817.00 plus upfit, State Sales Tax, and $8.75 tire tax (non-taxable). These vehicles are available under the Sourcewell (Formerly Known as NJPA) master vehicle contract# 091521-NAF. Unit to be all Black

	One unit MSRP	Selling Price	Total Savings	Extended units (3)	Total Savings
2024 Chevy Tahoe Tahoe 4WD PPV	54,541.00	46,817.00	14.16%	140,451.00	23,172.00
Kerr Ballistics,chime mute Cylinders		4,583.00		13,749.00	
Sub Total		51,400.00		154,200.00	
Sales Tax		4,497.50		13,492.50	
Transportation		529.00		1,587.00	
Tire Tax		8.75		26.25	
Total		56,435.25		169,305.75	

Terms are net 30 days.
Delivery 120-180 Days ARO
National Auto Fleet Group welcomes the opportunity to assist you in your vehicle requirements.

Kevin Buzzard
National Law Enforcement Sales Manager
National Auto Fleet Group
Wondries Fleet Group
626-457-5590 O / 714-264-1867 C
626-457-5593 F /Buzzard5150@gmail.com

Blair Schofield
B.schofield@kerrindustries.com
Dallas – Chicago – Detroit – Toronto
Cell 1-905-449-7698
Office 1-800-585-1774

8-SEPT-22

Quote#
50-5098

To: City of South Tahoe Lake
Wondries - Kevin Buzzard

From: Blair Schofield
Kerr Industries

The following options can be ordered on a batch of FOUR 2023 9C1/5W4 Police Tahoe units. The dealer is responsible for routing the vehicle thru Kerr by ensuring that the formal Ship-Thru code of "VPV" is included in the factory vehicle order.

KLOCK- Supply & install a manual key entry kit for the rear liftgate with a lock cylinder set to accept the factory ignition key.

CHIME DELETE- Supply & install a wire harness/module assembly that will disable chime notification when the driver's door is opened.

KEMGLOC-D/P Supply & install a hidden emergency door lock release rod into both of the second-row prisoner doors.

KLOKPS – Supply & install a manual key entry kit for the passenger side front door with a lock cylinder set to accept the factory ignition key. The replacement lock bezel cap will be painted to match OE body colour.
Dealer to confirm exterior vehicle paint color (white or black)

KTBDP-D3-PLUS- NIJ Level 3+ ballistic rigid door panel for front driver side door. Kit includes the panel itself along with, all necessary mounting brackets, hardware, labels, and heavy-duty swing check strap.

KTBDP-P3-PLUS - NIJ Level 3+ ballistic rigid door panel for front passenger side door. Kit includes the panel itself along with, all necessary mounting brackets, hardware, labels, and heavy-duty swing check strap.

Total Dealer Per Vehicle Cost - USD $4583.00

Price is quoted in US funds and is exclusive of any applicable taxes

---

All equipment supplied and Installed by Kerr Industries has a warranty of 3 years/36,000 miles.
Please Note:
- Pricing valid for 75 days.
- Payment terms are NET/30
- Kerr Industries assumes no liability for the specifications of the dealer ordered factory vehicle options. Please consult with your OEM/Dealer order book to confirm spec and pricing of factory options.

- This document is ONLY a quote and not an order confirmation. To apply these options to your vehicles please provide the factory order confirmation numbers to Kerr and we will supply you with a detailed Kerr order summary for your review and sign back.

Thank you for your consideration,
Blair

CHROMEDATA
An Autodata Solutions Brand

National Auto Fleet Group
Kevin Buzzard | 626-457-5590 OFC | Buzzard5150@gmail.com

Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial



National Auto Fleet Group

Prepared By:

Kevin Buzzard
National Auto Fleet Group
626-457-5590 OFC
Buzzard5150@gmail.com

Prices, specifications, and availability are subject to change without notice, and do not include certain fees, taxes and charges that may be required by law or vary by manufacturer or region. Performance figures are guidelines only, and actual performance may vary. Photos may not represent actual vehicles or exact configurations. Content based on report preparer's input is subject to the accuracy of the input provided. Data Version: 17413, Data updated Sep 8, 2022 6:47:00 PM PDT

National Auto Fleet Group
Kevin Buzzard | 626-457-5590 OFC | Buzzard5150@gmail.com

Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

Selected Model and Options

MODEL

CODE	MODEL
CK10706	2023 Chevrolet Tahoe 4WD 4dr Commercial

COLORS

CODE	DESCRIPTION
GBA	Black

SUSPENSION PKG

CODE	DESCRIPTION
Z56	Suspension Package, heavy-duty, police-rated. Full independent suspension with monotube dampers, linear coil springs, 35mm solid front stabilizer bar and 32mm hollow rear stabilizer bar (Included and only available with (9C1) Police Vehicle.)

EMISSIONS

CODE	DESCRIPTION
YF5	Emissions, California state requirements

ENGINE

CODE	DESCRIPTION
L84	Engine, 5.3L EcoTec3 V8 with Dynamic Fuel Management, Direct Injection and Variable Valve Timing, includes aluminum block construction (355 hp [265 kW] @ 5600 rpm, 383 lb-ft of torque [518 Nm] @ 4100 rpm) (STD)

TRANSMISSION

CODE	DESCRIPTION
MHU	Transmission, 10-speed automatic electronically controlled with overdrive, includes Traction Select System including tow/haul (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)

GVWR

CODE	DESCRIPTION
C6G	GVWR, 7600 lbs. (3447 kg) (Included and only available with (9C1) Police Package. 4WD model only.)

AXLE

CODE	DESCRIPTION
GU5	Rear axle, 3.23 ratio

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Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

PREFERRED EQUIPMENT GROUP

CODE	DESCRIPTION
1FL	Commercial Preferred Equipment Group includes standard equipment

WHEEL TYPE

CODE	DESCRIPTION
PXT	Wheels, 20" x 9" (50.8 cm x 22.9 cm) steel (Included and only available with (9C1) Police Vehicle.)

TIRES

CODE	DESCRIPTION
XCS	Tires, 275/55R20SL all-season, blackwall, Firestone Firehawk Pursuit (Included and only available with (9C1) Police Vehicle.)

PAINT

CODE	DESCRIPTION
GBA	Black

SEAT TYPE

CODE	DESCRIPTION
AZ3	Seats, front 40/20/40 split-bench (STD)

SEAT TRIM

CODE	DESCRIPTION
H1T	Jet Black, Cloth seat trim (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)

RADIO

CODE	DESCRIPTION
IOR	Audio system, Chevrolet Infotainment 3 system, 8" diagonal color touchscreen AM/FM stereo. Additional features for compatible phones include: Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, Apple CarPlay and Android Auto capable. (STD)

Prices, specifications, and availability are subject to change without notice, and do not include certain fees, taxes and charges that may be required by law or vary by manufacturer or region. Performance figures are guidelines only, and actual performance may vary. Photos may not represent actual vehicles or exact configurations. Content based on report preparer's input is subject to the accuracy of the input provided. Data Version: 17413, Data updated Sep 8, 2022 6:47:00 PM PDT

National Auto Fleet Group
Kevin Buzzard | 626-457-5590 OFC | Buzzard5150@gmail.com

Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

ADDITIONAL EQUIPMENT - PACKAGE

CODE	DESCRIPTION
9C1	Identifier for Police Package Vehicle includes, (K47) heavy-duty air filter, (KX4) 250 amp high output alternator, (K6K) 760 cold-cranking amps auxiliary battery, electrical power & vehicle signals for customer connection located at the center front floor. Auxiliary battery circuit for customer connection located in the rear cargo area, (Z56) heavy-duty, police-rated suspension, (XCS) 275/55R20SL all-season tires, (RAV) 275/55R20 all-season spare tire, Police brakes, (RC1) front skid plate, (PXT) 20" steel wheels, Certified speedometer, SEO (5J3) Surveillance Mode interior lighting calibration, SEO (UT7) blunt cut cargo area and blunt cut console area ground wires,(V53) delete luggage rack side rails, (ATD) third row seat delete, (NP0) active single-speed transfer case (4WD only) *Upon selection of this option the base price will change*
PQA	1FL Safety Package includes (UEU) Forward Collision Alert, (UHX) Lane Keep Assist with Lane Departure Warning, (UHY) Automatic Emergency Braking, (UKJ) Front Pedestrian Braking and (UE4) Following Distance Indicator (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle. Not available with (DRZ) Rear Camera Mirror.)
AMF	Remote Keyless Entry Package includes 4 additional transmitters, NOTE: programming of remotes is at customer's expense. Programming remotes is not a warranty expense (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)

ADDITIONAL EQUIPMENT - MECHANICAL

CODE	DESCRIPTION
V03	Cooling system, extra capacity (Included and only available with (9C1) Police Vehicle or (NHT) Max Trailering Package. Not included when (LM2) Duramax 3.0L Turbo-Diesel I6 engine is ordered.)
K6K	Battery, auxiliary, 760 cold-cranking amps with 70 amp hour rating (packaged behind left rear cargo area panel) (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
K3W	Battery, 850 cold-cranking amps with 95 amp hour rating (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
KX4	Alternator, 250 amps (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
V76	Recovery hooks, 2 front, frame-mounted, Black (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle. Required on all models going to Alaska, Guam, Hawaii, Puerto Rico and Virgin Islands. All Tahoe (9C1) and (5W4) vehicles include front fascia with recovery hook openings.)
RC1	Skid plate, front (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
J55	Brake system, heavy duty with front Brembo calipers and 16" front rotors (Included and only available with (9C1) Police Vehicle.)
___	Capless Fuel Fill (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)

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National Auto Fleet Group
Kevin Buzzard | 626-457-5590 OFC | Buzzard5150@gmail.com

Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

ADDITIONAL EQUIPMENT - EXTERIOR

CODE	DESCRIPTION
RNQ	Wheel, full-size spare, matching 20" (50.8 cm) steel wheel without center cap (Included and only available with (9C1) Police Vehicle.)
RAV	Tire, spare 275/55R20 all-season, blackwall, Firestone Firehawk Pursuit (Included and only available with (9C1) Police Vehicle.)
WUA	Fascia, front high-approach angle (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
V53	Luggage rack side rails, delete (Included with (9C1) Police Vehicle or (5W4) Special Service Vehicle.) *CREDIT*
___	Exterior ornamentation delete (front & rear Chevrolet bowties will remain) (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
VK3	License plate front mounting package (Included on orders with ship-to-states that require a front license plate.)

ADDITIONAL EQUIPMENT - ENTERTAINMENT

CODE	DESCRIPTION
UDA	OnStar deactivated (does not delete Bluetooth) *CREDIT* *Upon selection of this option the base price will change*

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Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

ADDITIONAL EQUIPMENT - INTERIOR

CODE	DESCRIPTION
ATD	Seat delete, third row passenger *CREDIT*
VZ2	Speedometer calibration (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
——	Instrumentation, analog with certified 140 mph speedometer, odometer with trip odometer, engine hour meter, fuel level, voltmeter, engine temperature, oil pressure and tachometer (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
AX2	Key, unique Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
——	Theft-deterrent system, vehicle, PASS-Key III (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
——	Power supply, 50-amp, power supply, auxiliary battery passenger compartment wiring harness (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
——	Power supply, 100-amp, auxiliary battery, rear electrical center (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
——	Power supply, 120-amp, (4) 30-amp circuit, Primary battery relay controlled, passenger compartment harness wiring (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
BCV	Lock control, driver side auto door lock disable (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
5T5	Seats, front cloth and second row vinyl (Not available with (A50) front bucket seats.)
5Y1	Front center seat (20% seat) delete power driver and passenger bucket seats in base cloth trim. Derived from RPO (AZ3) 40/20/40 split-bench seat with the 20% section removed, which also removes the auxiliary power outlet, USB port and input jack for audio system. Does not include a floor console. All exposed floor area will remain untrimmed. (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle. Also requires (BG9) Black rubberized vinyl floor covering. Not available with (A50) front bucket seats or (B30) color-keyed carpeting floor covering.)

ADDITIONAL EQUIPMENT - SAFETY-MECHANICAL

CODE	DESCRIPTION
UHY	Automatic Emergency Braking (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)

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ADDITIONAL EQUIPMENT - SAFETY-INTERIOR

CODE	DESCRIPTION
——	Seat belts, 3-point, all seating positions (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
UE4	Following Distance Indicator (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)
UKJ	Front Pedestrian Braking (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)
UHX	Lane Keep Assist with Lane Departure Warning (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)
UEU	Forward Collision Alert (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, included and only available with (PQA) 1FL Safety Package.)

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Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

ADDITIONAL EQUIPMENT - OTHER

CODE	DESCRIPTION
VXT	Incomplete vehicle (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle. Included and only available with (ATZ) rear seat delete.)
——	Protected idle allows vehicle engine to remain idling and vehicle immobilized while FOB is outside vehicle (Included and only available (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
6C7	Lighting, red and white front auxiliary dome Red and white LED auxiliary dome lamp is located on headliner between front row seats. The auxiliary lamp is wired independently from standard dome lamp (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
6E8	Fleet Calibration provides a single key with a specific code that is common to the door locks of all the vehicles in the vehicle fleet. Key code is an alternate to SEO (6E2) complete vehicle fleet common key. NOTE: NOT COMPATIBLE with previous model years (Requires (AMF) Remote Keyless Entry Package. Includes (AU7) fleet common key with (9C1) Police Vehicle or (5W4) Special Service Vehicle. Not available with SEO (6E8) Fleet Calibration.)
6J3	Wiring, grille lamps and siren speakers (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
6J4	Wiring, horn and siren circuit (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
6J7	Flasher system, headlamp and taillamp, DRL compatible with control wire (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
5J0	Calibration, Front (only) Park Assist Disable. To facilitate the installation of push bumpers. (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
5J1	Calibration, keyless remote panic button and exterior lights/horn disable (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
5J3	Calibration, Surveillance Mode interior lighting (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
5J9	Calibration, taillamp flasher, Red/White (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
5LO	Calibration, taillamp flasher, Red/Red (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
6N5	Switches, rear window inoperative (rear windows can only operate from driver's position.) (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
6N6	Door locks and handles, inside rear doors inoperative (door can only be opened from outside) (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
7X2	Spotlamps, left- and right-hand Not available with SEO (7X3) left-hand spotlamp. Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
9G8	Headlamps, Daytime Running Lamps and automatic headlamp control delete deletes standard Daytime Running Lamps and automatic headlamp control features (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
T53	Lamps, alternate flashing Red & Blue rear compartment lid warning (visible when liftgate is open) and controlled by momentary liftgate mounted switch or ground wire (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
T66	Wiring provision, for outside mirrors and cargo side mirrors (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)

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Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

UN9	Radio Suppression Package, with ground straps (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
UT7	Ground wires, blunt cut cargo area and blunt cut console area (Included and only available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)
UTQ	Theft-deterrent system content, disable, the alarm and horn become non-functional in an attempt of theft to the vehicle (Requires (9C1) Police Vehicle or (5W4) Special Service Vehicle.)

SHIP THRU CODES

CODE	DESCRIPTION
VPV	Ship Thru, Produced in Arlington Assembly and shipped to Kerr Industries and onto Arlington Assembly (Included with SEO (6J8) White Left/White Right Whelen LED Lamp Package, SEO (6J9) Red Left/Red Right Whelen LED Lamp Package, SEO (6JE) Blue Left/Blue Right Whelen LED Lamp Package, SEO (6JG) Red Left/Blue Right Whelen LED Lamp Package, SEO (6C7) red and white front auxiliary dome lighting, SEO (6N6) door locks and handles, SEO (7X2) left- and right-hand spotlamps, SEO (7X3) left-hand spotlamp, SEO (T53) alternate flashing Red & Blue rear compartment lid warning lamps, SEO (UN9) Radio Suppression Package, SEO (6J3) grille lamps and siren speakers wiring, SEO (6J4) horn and siren circuit wiring and SEO (WX7) auxiliary speaker wiring.)

Options Total

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Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

Standard Equipment

Mechanical

Engine, 5.3L EcoTec3 V8 with Dynamic Fuel Management, Direct Injection and Variable Valve Timing, includes aluminum block construction (355 hp [265 kW] @ 5600 rpm, 383 lb-ft of torque [518 Nm] @ 4100 rpm) (STD)

Transmission, 10-speed automatic electronically controlled with overdrive, includes Traction Select System including tow/haul (STD)

Rear axle, 3.23 ratio

Suspension Package, Premium Smooth Ride (STD)

GVWR, 7500 lbs. (3402 kg) (4WD models only.) (STD)

Keyless start, push button

Automatic Stop/Start

Engine control, stop/start system disable button, non-latching

Engine air filtration monitor

Fuel, gasoline, E15

Transfer case, active, single-speed, electronic Autotrac does not include neutral. Cannot be dinghy towed (4WD models only. Deleted when (NHT) Max Trailering Package is ordered.)

Differential, mechanical limited-slip

4-wheel drive

Air filter, heavy-duty

Cooling, external engine oil cooler, heavy-duty air-to-oil integral to driver side of radiator

Cooling, auxiliary transmission oil cooler, heavy-duty air-to-oil

Battery, 730 cold-cranking amps with 80 amp hour rating

Alternator, 220 amps

Trailering equipment includes trailering hitch platform, 7-wire harness with independent fused trailering circuits mated to a 7-way connector and 2" trailering receiver

Trailer sway control

Hitch Guidance

Suspension, front coil-over-shock with stabilizer bar

Suspension, rear multi-link with coil springs

Steering, power

Brakes, 4-wheel antilock, 4-wheel disc with DURALIFE rotors

Exhaust, single system, single-outlet

Mechanical Jack with tools

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Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

Exterior

Wheels, 18" x 8.5" (45.7 cm x 21.6 cm) Bright Silver painted aluminum (STD)

Tires, 265/65R18SL all-season, blackwall (Standard with (PZX) 18" Bright Silver painted aluminum wheels only.) (STD)

Wheel, full-size spare, 17" (43.2 cm)

Tire, spare P265/70R17 all-season, blackwall

Tire carrier, lockable outside spare, winch-type mounted under frame at rear

Active aero shutters, upper

Fascia, front

Luggage rack side rails, roof-mounted, Black

Assist steps, Black with chrome accent strip

Headlamps, LED

Lamps, stop and tail, LED

Mirrors, outside heated power-adjustable, manual-folding, body-color

Mirror caps, body-color

Glass, deep-tinted (all windows, except light-tinted glass on windshield and driver- and front passenger-side glass)

Glass, acoustic, laminated

Glass, windshield shade band

Windshield, solar absorbing

Wipers, front intermittent, Rainsense

Wiper, rear intermittent with washer

Door handles, body-color

Liftgate, rear manual

Entertainment

Audio system, Chevrolet Infotainment 3 system, 8" diagonal color touchscreen AM/FM stereo. Additional features for compatible phones include: Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, Apple CarPlay and Android Auto capable. (STD)

Audio system feature, 6-speaker system

SiriusXM Radio delete

Infotainment display, 8" diagonal touchscreen

Bluetooth for phone personal cell phone connectivity to vehicle audio system

Wireless Apple CarPlay/Wireless Android Auto

Wi-Fi Hotspot capable (Standard with (UE1) OnStar only. Terms and limitations apply. See onstar.com or dealer for details.)

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Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

Interior

Seats, front 40/20/40 split-bench (Not available with (D07) center floor console and (USR) USB data ports.) (STD)

Seat trim, cloth

Seat adjusters, 8-way power includes 6-way power front passenger seat with 2-way power lumbar

Seat adjusters, 10-way power includes 8-way power driver seat with 2-way power lumbar

Seats, second row 60/40 split-folding bench, manual

Seats, third row 60/40 split-folding bench, manual (Not available with (9C1) Police Vehicle or (5W4) Special Service Vehicle.)

Floor covering, Black rubberized vinyl (Deleted when (B30) floor covering is ordered.)

Electronic Precision Shift

Steering column lock, electrical (Standard on models built after July 18, 2022.)

Steering column, manual tilt and telescopic

Steering wheel, urethane

Steering wheel controls, mounted audio, Driver Information Center, cruise control and Forward Collision Alert following gap button (if equipped) (left backside Seek/Scan steering wheel radio buttons are inoperable; these 2 buttons can be repurposed for aftermarket emergency equipment)

Driver Information Center, 4.2" diagonal color display includes driver personalization

Rear Seat Reminder

Door locks, power programmable with lockout protection and delayed locking (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, Auto Lockout is disabled on driver door.)

Keyless Open includes extended range Remote Keyless Entry

Cruise control, electronic with set and resume speed

Theft-deterrent system, content, electrical, unauthorized entry

USB data ports, 2, one type-A and one type-C, located within center console

USB charging-only ports, 4, (2) located on rear of center console and (2) in 3rd row (1 left and 1 right side below quarter glass side window) (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, (2) type-C ports are moved to the rear of center seat base and (2) type-C are moved to the cargo area. Deleted when (A50) front bucket seats are ordered.)

Window, power with driver Express-Up/Down

Window, power with front passenger Express-Up/Down

Windows, power with rear Express-Down

Air conditioning, tri-zone automatic climate control with individual climate settings for driver, right front passenger and rear seat occupants

Air conditioning, rear

Defogger, rear-window electric

Power outlets, 2, 120-volt, located on the rear of the center seat and rear cargo area

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Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

Interior

Power outlet, front auxiliary, 12-volt, located in the center stack of instrument panel

Mirror, inside rearview manual day/night

Visors, driver and front passenger illuminated vanity mirrors, sliding

Assist handles, overhead, driver and front passenger, located in headliner

Assist handles, front passenger A-pillar and second row outboard B-pillar (Deleted when SEO (7X2) left- and right-hand spotlamps or SEO (7X3) left-hand spotlamp are ordered.)

Lighting, interior with dome light, driver- and passenger-side door switch with delayed entry feature, cargo lights, door handle or Remote Keyless Entry-activated illuminated entry and map lights in front and second seat positions. On Police/Special Service vehicles, the control switch is located in the roof console in lieu of the driver - and passenger-side door switch with delayed entry feature.

Cargo management system

Chevrolet Connected Access capable (Subject to terms. See onstar.com or dealer for details.)

Safety-Mechanical

Automatic Emergency Braking

Hill Start Assist

StabiliTrak, stability control system with brake assist, includes traction control

Safety-Exterior

Daytime Running Lamps, reduced intensity low beam

Safety-Interior

Teen Driver a configurable feature that lets you activate customizable vehicle settings associated with a key fob, to help encourage safe driving behavior. It can limit certain available vehicle features, and it prevents certain safety systems from being turned off. An in-vehicle report card gives you information on driving habits and helps you to continue to coach your new driver

Airbags, Frontal airbags for driver and front outboard passenger; Seat-mounted side-impact airbags for driver and front outboard passenger; Head-curtain airbags for all rows in outboard seating positions (Deleted when (A50) front bucket seats are ordered. Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)

Front outboard Passenger Sensing System for frontal outboard passenger airbag (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)

OnStar and Chevrolet connected services capable (Terms and limitations apply. See onstar.com or dealer for details.)

Front and Rear Park Assist

Following Distance Indicator

HD Rear Vision Camera

Front Pedestrian Braking

Lane Keep Assist with Lane Departure Warning

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Safety-Interior

Forward Collision Alert

Buckle to Drive prevents vehicle from being shifted out of Park until driver seat belt is fastened; times out after 20 seconds and encourages seat belt use, can be turned on and off in Settings or Teen Driver menu (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, defaulted off. Feature can be turned on in the Infotainment menu.)

Door locks, rear child security, manual

LATCH system (Lower Anchors and Tethers for CHildren), for child restraint seats lower anchors and top tethers located in all second-row seating positions (Deleted when (ATZ) second row seat delete is ordered.)

Tire Pressure Monitoring System auto learn, includes Tire Fill Alert (does not apply to spare tire)

Warning tones headlamp on, driver and right-front passenger seat belt unfasten and turn signal on

3 Years of Remote Access. The Remote Access Plan gives you simplified remote control of your properly equipped vehicle and unlocks a variety of great features in your myChevrolet mobile app. See dealer for details. (Remote Access Plan does not include emergency or security services. See onstar.com for details and limitations. Available on select Apple and Android devices. Service availability, features and functionality vary by vehicle, device, and the plan you are enrolled in. Terms apply. Device data connection required.)

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Vehicle: [Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial (✔ Complete)

Window Sticker

SUMMARY

[Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial — MSRP:$49,750.00

Interior:Jet Black, Cloth seat trim

Exterior 1:Black

Exterior 2:No color has been selected.

Engine, 5.3L EcoTec3 V8

Transmission, 10-speed automatic

OPTIONS

CODE	MODEL		MSRP
CK10706	[Fleet] 2023 Chevrolet Tahoe (CK10706) 4WD 4dr Commercial		$49,750.00
	OPTIONS		
1FL	Commercial Preferred Equipment Group		$0.00
5J0	Calibration, Front (only) Park Assist Disable.		$0.00
5J1	Calibration, keyless remote panic button and exterior lights/horn disable		$0.00
5J3	Calibration, Surveillance Mode interior lighting	Inc.	
5J9	Calibration, taillamp flasher, Red/White	Inc.	
5LO	Calibration, taillamp flasher, Red/Red	Inc.	
5T5	Seats, front cloth and second row vinyl		$0.00
5Y1	Front center seat (20% seat) delete		$0.00
6C7	Lighting, red and white front auxiliary dome		$170.00
6E8	Fleet Calibration		$25.00
6J3	Wiring, grille lamps and siren speakers		$92.00
6J4	Wiring, horn and siren circuit		$55.00
6J7	Flasher system, headlamp and taillamp, DRL compatible with control wire	Inc.	
6N5	Switches, rear window inoperative		$57.00
6N6	Door locks and handles, inside rear doors inoperative		$62.00
7X2	Spotlamps, left- and right-hand		$1,340.00
9C1	Identifier for Police Package Vehicle		$0.00
9G8	Headlamps, Daytime Running Lamps and automatic headlamp control delete		$50.00

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AMF	Remote Keyless Entry Package		$75.00
ATD	Seat delete, third row passenger	Inc.	
AX2	Key, unique	Inc.	
AZ3	Seats, front 40/20/40 split-bench		$0.00
BCV	Lock control, driver side auto door lock disable	Inc.	
C6G	GVWR, 7600 lbs. (3447 kg)	Inc.	
GBA	Black		$0.00
GU5	Rear axle, 3.23 ratio		$0.00
H1T	Jet Black, Cloth seat trim		$0.00
IOR	Audio system, Chevrolet Infotainment 3 system, 8" diagonal color touchscreen		$0.00
J55	Brake system, heavy duty	Inc.	
K3W	Battery, 850 cold-cranking amps with 95 amp hour rating	Inc.	
K6K	Battery, auxiliary, 760 cold-cranking amps with 70 amp hour rating	Inc.	
KX4	Alternator, 250 amps	Inc.	
L84	Engine, 5.3L EcoTec3 V8		$0.00
MHU	Transmission, 10-speed automatic	Inc.	
PQA	1FL Safety Package		$395.00
PXT	Wheels, 20" x 9" (50.8 cm x 22.9 cm) steel	Inc.	
RAV	Tire, spare 275/55R20 all-season, blackwall, Firestone Firehawk Pursuit	Inc.	
RC1	Skid plate, front	Inc.	
RNQ	Wheel, full-size spare, matching 20" (50.8 cm) steel wheel without center cap	Inc.	
T53	Lamps, alternate flashing Red & Blue rear compartment lid warning		$565.00
T66	Wiring provision, for outside mirrors and cargo side mirrors	Inc.	
UDA	OnStar deactivated (does not delete Bluetooth)		($85.00)
UE4	Following Distance Indicator	Inc.	
UEU	Forward Collision Alert	Inc.	
UHX	Lane Keep Assist	Inc.	
UHY	Automatic Emergency Braking	Inc.	
UKJ	Front Pedestrian Braking	Inc.	
UN9	Radio Suppression Package, with ground straps		$95.00
UT7	Ground wires, blunt cut cargo area and blunt cut console area	Inc.	

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UTQ	Theft-deterrent system		$50.00
V03	Cooling system, extra capacity	Inc.	
V53	Luggage rack side rails, delete	Inc.	
V76	Recovery hooks, 2 front, frame-mounted, Black		$50.00
VK3	License plate front mounting package		$0.00
VPV	Ship Thru, Produced in Arlington Assembly and shipped to Kerr Industries and onto Arlington Assembly		$0.00
VXT	Incomplete vehicle	Inc.	
VZ2	Speedometer calibration	Inc.	
WUA	Fascia, front high-approach angle	Inc.	
XCS	Tires, 275/55R20SL all-season, blackwall, Firestone Firehawk Pursuit	Inc.	
YF5	Emissions, California state requirements		$0.00
Z56	Suspension Package, heavy-duty, police-rated.	Inc.	
—	Capless Fuel Fill	Inc.	
—	Exterior ornamentation delete	Inc.	
—	Instrumentation, analog	Inc.	
—	Theft-deterrent system, vehicle, PASS-Key III	Inc.	
—	Power supply, 50-amp, power supply, auxiliary battery	Inc.	
—	Power supply, 100-amp, auxiliary battery, rear electrical center	Inc.	
—	Power supply, 120-amp, (4) 30-amp circuit, Primary battery	Inc.	
—	Seat belts, 3-point, all seating positions	Inc.	
—	Protected idle	Inc.	
	SUBTOTAL		**$52,746.00**
	Adjustments Total		$0.00
	Destination Charge		$1,795.00
	TOTAL PRICE		**$54,541.00**

FUEL ECONOMY

Est City:14 (2022) MPG

Est Highway:20 (2022) MPG

Est Highway Cruising Range:480.00 mi

Prices, specifications, and availability are subject to change without notice, and do not include certain fees, taxes and charges that may be required by law or vary by manufacturer or region. Performance figures are guidelines only, and actual performance may vary. Photos may not represent actual vehicles or exact configurations. Content based on report preparer's input is subject to the accuracy of the input provided. Data Version: 17413, Data updated Sep 8, 2022 6:47:00 PM PDT

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Solicitation Number: RFP #091521

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and 72 Hour LLC dba: National Auto Fleet Group, 490 Auto Center Drive, Watsonville, CA 95076 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires November 8, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.

C. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

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Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be

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returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

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- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

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contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

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- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased

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by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

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E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
   a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use thetrademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
   b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

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resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

5. Termination. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

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14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

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The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for Products-Completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

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no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is

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primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

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21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

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C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

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of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

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and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

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22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

DocuSigned by:
By: Jeremy Schwartz
C0FD2A139D06489...

Jeremy Schwartz
Title: Chief Procurement Officer
Date: 11/4/2021 | 1:28 PM CDT

72 Hour LLC dba: National Auto Fleet Group

DocuSigned by:
By: Jesse Cooper
FACBB5730C1E467...

Jesse Cooper
Title: Fleet Manager
Date: 11/4/2021 | 10:46 AM CDT

Approved:

DocuSigned by:
By: Chad Coauette
7E42B8F817A64CC...

Chad Coauette
Title: Executive Director/CEO
Date: 11/4/2021 | 1:34 PM CDT

RFP 091521 - Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories

Vendor Details

Company Name:	72 HOUR LLC
Does your company conduct business under any other name? If yes, please state:	National Auto Fleet Group
Address:	490 Auto Center Drive Watsonville, CA 95076
Contact:	Jesse Cooper
Email:	Jcooper@nationalautofleetgroup.com
Phone:	951-440-0585
Fax:	831-840-8497
HST#:	263297677

Submission Details

Created On:	Tuesday August 24, 2021 16:34:10
Submitted On:	Tuesday September 14, 2021 14:10:21
Submitted By:	Jesse Cooper
Email:	Jcooper@nationalautofleetgroup.com
Transaction #:	d2e890de-e761-4f47-9b23-bef3d512bd76
Submitter's IP Address:	76.81.241.2

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	72 Hour LLC	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	WCAF, LLC WCDJR, LLC Alan Jay Automotive Inc	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	NAFG has numerous subsidiaries and DBA's including but not limited to: National Auto Fleet Group, Chevrolet of Watsonville, Watsonville Ford Watsonville CDJR Watsonville Fleet Group Alan Jay Chrysler Jeep Inc Alan Jay Chevrolet, Cadillac Alan Jay Buick, GMC Alan Jay Auto Outlet Clewiston Motor Company, Inc Alan Jay Chrysler Dodge Ram Jeep Alan Jay Lincoln Alan Jay Ford Alan Jay Nissan Alan Jay Toyota	*
4	Proposer Physical Address:	490 Auto Center Drive Watsonville, CA 95076	*
5	Proposer website address (or addresses):	www.NationalAutoFleetGroup.com	*
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Jesse Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jesse Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Clarke Cooper Fleet Manger 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 ClarkeCooper@watsonvillefleetgroup.com	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	

9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	National Auto Fleet Group started as a new division of 72 Hour LLC, in the summer of 2010 in the heart of Southern California. We began our network with a single automobile dealership and have now grown our network to encompass numerous dealerships located in and outside of California. We stand by providing opportunities for advancement by hiring and promoting from within our organization. Many of the Fleet Managers who started with us in 2010 are still with us today. Through the years, we have evolved and adapted to the new technology driven trends that are revolutionizing the automotive industry today. However, our brand's fundamental core values have remained unchanged – We are committed to do right for the members. If we take care of them, they will in return take care of us. National Auto Fleet Group's operational blueprint and business philosophy has always been the "4 RIGHT's" for every member: We deliver the RIGHT vehicle, at the RIGHT time, to the RIGHT place at the RIGHT price. The integrity of our business stems on our deep family roots in the automotive industry. We are and always will be family owned and operated with our future generations already in their infant stages today. We are committed to pioneering our industry for decades to come.	*
10	What are your company's expectations in the event of an award?	If awarded, this would be our 5th Sourcewell Contract and we would execute as such. We will continue to serve your members and provide them with excellent customer service while continuing to advance customer satisfaction. Along with implementing new business growth strategies that will ultimately launch us into new heights once again. Furthermore, we will launch our Partner Program detailed in the attached "marketing Plan Compressed" Zip file. This next generation application will give members the power to select upfitters they would like NAFG to partner with in providing satisfactory quotes and service. We see tremendous value in building out these mutually beneficial partnerships, so we can provide 100% satisfactory turnkey solutions to the members.	*
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	To demonstrate NAFG's financial strength and stability, we have uploaded Bank Commitment letters under the Financial Strength Section of the online application. We have a direct line of credit of $52,000,00.00 that we are currently utilizing with our current and past Sourcewell Contracts. However, this number is not capped as we have the freedom to extend the cap to accommodate the revolving needs of the members. Referenced below is a short register of some of our market success from awarded government contracts that encompass over $140,000,000.00 worth of products and goods under our current Sourcewell Contract. A. City of San Diego, CA $ 72,000,000 contract under our Sourcewell Contract 120716-NAF. B. City of San Diego, CA $ 55,400,000 contract under our Sourcewell Contract 081716-NAF. C. Government Fleet Article Highlighting our transaction with the City of San Diego, CA procuring over 100 Police vehicles through NAFG Sourcewell Contract 120716-NAF. D. City of Los Angeles World Airports, CA Contract for $ 24,003,500 under Sourcewell Contract 120716-NAF for the procurement of 400 vehicles. E. City of Los Angeles Harbor, CA Contract Extension to $ 4,500,000 contract under Sourcewell Contract 120716-NAF. F. City of Los Angeles Harbor, CA Contract for $1,500,000 under our Sourcewell Contract 120716-NAF. G. City of Los Angeles Harbor, CA Renewal for another $ 1,500,000 under Sourcewell Contract Class 6, 7 and 8 Contract 081716-NAF. H. City of Costa Mesa, CA Contract $1,023,220 under our Sourcewell Contract 120716-NAF. I. Blanket Contracts with the State of Maryland, MD off our current Class 6, 7 and 8 Chassis Contract 081716-NAF. J. Blanket Contracts with the State of Maryland, MD off our Current Sourcewell Contract 120716-NAF. We have also attached our Commitment Letter's for unparallel support from leading nationally recognized upfit suppliers such The Knapheide Manufacturing Company. Along with regional suppliers such as Brand FX and Phenix Truck Body located in Southern California serve as regional support locations, whom we often work alongside to fulfill all member needs with past, present, and future orders with NAFG. Included are also Upfitter Recommendation letters to illustrate how National Auto Fleet Group has taken a proactive interest in building mutually beneficial relationship with our upfitters. Mutuality and reciprocity relationships between body companies and our dealer's are two of the key components that help members receive what they need in a smooth and efficient fashion. In addition, the adoption of our Class 6, 7, and 8 Contract from Anne Arundel County in the state of Maryland is as an example of how National Auto Fleet Group attracts and retains new clients by demonstrating to them there's a better and more efficient way of finding turnkey solutions. Lastly, we have attached supporting documents that help emphasize and exemplify our growth since our first awarded Sourcewell Contract in 2012. We sincerely hope it helps portray our commitment to building lifelong rapport and trust with our partner upfitters and members.	*
12	What is your US market share for the solutions that you are proposing?	. Of our respective brands and OEM's we represent, the US market share is estimated to be 60 – 75%.	*
13	What is your Canadian market share for the solutions that you are proposing?	It is difficult to estimate the market share for the brands and OEM's we represent, however we estimate that it should be the same 60 -75 % of the US share.	*
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No.	*

15	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	National Auto Fleet Group is a dealer network best categorized as "A" - Distributer/Dealer/Reseller and Dealer Partner for (15) OEM Manufacturers including Ford Motor Company, Chevrolet, RAM, GMC, Buick, Chrysler, Dodge, Jeep, Toyota, Nissan, KIA, BMW, Honda, Cadillac and Volkswagen, All orders are placed with the franchised dealer and ultimately titled directly to the member. All appropriate certification certificates and authorized DMV/Factory licenses may be found in the "Related Certification" section uploaded to this RFP. It should be noted we do not sell used equipment to members.	*
16	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Required licenses include a Dealer's License, a Franchise issued by the Manufacture, a Department of Motor Vehicles License, as well as a Reseller's permit license. All which NAFG and Dealer Partner's hold. Please review our attachment documents in section "Related Certification" for licenses that we either solely own or are jointly owned by our partner dealers that pertain to this RFP. A list of all our licenses are below, some of which may not pertain to class 1-3 but to class 4-8. CA Certificate of Good Standing 200824810190 State of Florida License Certificates: VF/1000974/4 VF/1000950/1 VF/1046516/1 VF/1024619/2 VF/1024619/1 VF/1018615/1 VF/1021891/1 VF/1000974/3 VF/1105916/1 VF/1020705/1 VF/1000969/1 CA State Seller's Permit 101-135239 CA State Seller's Permit 245364864-00001 Department of Motor Vehicle, Vehicle Dealer/ License Number 97772 Department of Motor Vehicle, Vehicle Dealer License Number 97771 Department of Motor Vehicle, Vehicle Dealer License Number 43609 Bureau of Automotive repair Registration # ARD00296319 123120 CA State Seller's Permit 232781952-00001 City of Watsonville Business License Number 1792 City of Watsonville Business License Number 4358 Fictitious Business Names from Santa Cruz County for National Auto Fleet Group FBN: 2017-0000138 California General Resale Certificate Dun & Bradstreet Number: 023680653 Government of The District of Columbia Certificate Government of the District of Columbia Tax Registration # 7815888160711 City of Los Angeles Tax Registration Government of The District of Columbia CLEAN HANDS CERTIFICATION San Diego Freightliner Seller's Permit Commonwealth of Virginia State Corporation Commission Certificate State of Maryland Good Standing Certificate Kansas Department of Revenue for Kansas City Peterbilt New Jersey Department of Treasury Registration Certificate New Jersey Business Registration Notice of Compliance of the Canton City Codified Ordinance Employee Information Report for the State of New Jersey State of Maryland New Sales and Use tax License CA State Seller's Permit 98-037902 00006 South Carolina Department of Motor Vehicles License Number 36133 State of South Carolina Retail License Commonwealth of Kentucky Vehicle Dealer License 1583 20 100 State of West Virginia Dealer License Commonwealth of Kentucky Vehicle Dealer License 1581 20 036 State of Tennessee Vehicle Dealer License	*
17	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Not Applicable, none.	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
18	Describe any relevant industry awards or recognition that your company has received in the past five years	National Auto Fleet Group's received its most prestigious award for Top Placement within Ford Motor Company as the leading dealership in Government Sales. In addition, our Chevrolet brand was highly ranked and honored 4/5 consecutive years by General Motors.	*
19	What percentage of your sales are to the governmental sector in the past three years	Within our fleet division, 90% of our contracts within the past three years have been with government accounts.	*
20	What percentage of your sales are to the education sector in the past three years	Within the past 3 years 90% of our sales have been to government accounts, 20% of which are within the education sector.	*
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	We hold the State of California contract with volumes from 200 to 500 units a year over the past three years. In addition, our Sourcewell Contract's 091219, 081716 and 120716 that we have maintained over the past three years has sold combined north of 400 million of Combined Quarterly Sales.	*
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	National Auto Fleet Group's focus lies on the Sourcewell Contract. NAFG holds no other GSA contract, Standing Offers, or Supply Arrangements other than the State of California contract. Our annual sales volume is estimated to be north of $200 million.	*

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Port of Los Angeles, CA	Mr. Dave Comer	310-72-3794	*
County of Venture, CA	Mr. Jorge Bnilla	805-672-2044	*
City of Austin, TX	Mr. Matt Sager	512-978-2637	*
County of San Joaquin, CA	Mr. David Myers	209-468-9745	
City of Palo Alto, CA	Ms. Danitra Bahlman	650-496-5920	

Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
City of Austin	Government	Texas - TX	Purchaser	10-15 Vehicles at once, Vans and SUVs	Over 1M	*
Los Angeles Department of Water and Power	Government	California - CA	Purchaser	Over 120 Vehicles, Vans and SUVs	Over 3M	*
Port of Los Angeles	Government	California - CA	Purchaser	Over 80 Trucks, Vans and SUVs	Over 2M	*
Anne Arundel County	Government	Maryland - MD	Purchaser	Over 40 Trucks, Vans and SUVs	Over 1M	*
City of San Diego	Government	California - CA	Purchaser	Over 500 Trucks, Vans, SUV'	Over 15M	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
25	Sales force.	Our sales force consists of direct and an indirect sales force. Our direct sales force consists of direct employees and partner dealers, which exceeds an employee count of 300 personnel both full time and part time. Many of our sales force are spread across the US and we leverage our relationships with our larger class dealerships to service the members lower class vehicle needs as well. A cross sales force. These individuals help support our dealerships and NAFG Fleet Division directly. On the other hand, our indirect sales force made up of upfitters and partner suppliers consists of over 100 personnel with our partner network and sales force growing annually. With both direct and indirect sales force staff working together, NAFG has been able to successfully grow, maintain and service the demand of the members. As the number of your members grow, we will continuously welcome more staff to not only meet customer demand, but also to exceed customer expectations.	*

26	Dealer network or other distribution methods.	Our franchise network in Canada and the U.S. is fortunately second to none. Our 15 proposed OEMS previously mentioned, all of which have established a presence nationwide with factory stores strategically placed where all members can receive service and complete warranty repairs with their respective products. Simple put the North American and Canadian automobile supply chain network is one of the best in the world. Of the 15 brands we represent, the OEMs have put in place a dealer network across all 50 states that will allow us to best serve all members.	*
27	Service force.	The 15 manufactures we represent have thousands of service locations that would be easily accessible to all your members. Service centers and warranty repair facilities for all 15 OEMs are ample and ready to help service our members and their needs. However, Alaska and Hawaii may be exceptions as they may have farther distances between franchises where members can utilize the repair services.	*
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	The member may order their vehicles by navigating to our website, www.NationalAutoFleetGroup.com and going through the step-by-step process to generate an online quote or by calling one of our representatives at 855-289-6572 or by sending NAFG an email at Fleet@NationalAutoFleetGroup.com. Orders are then processed directly to the manufacturer who will work to supply the vehicle to the ship-to location for upfittinig or end user desired delivery location.	*
29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	To best demonstrate our Customer Service program, kindly reference the ZIP file “Member Walk Through” that is attached in the Additional Documents folder. Please begin with and review in order that is explained below: How Members Can Get Quotes Online: A member can obtain most quotes by visiting our website www.NationalAutoFleetGroup.com where a simple one step form is needed for registration. This is to protect the price information from nonmembers. Once a member registers they will receive an automated welcome email with a demo video on how to use our site. Members will gain access to there very own dashboard which will house all there quotes in one safe secure login. Member’s can select which brand they are looking for and model year. Our site shows all the categories the brand offers such as: Cars, Vans, SUV’s Trucks and Chassis Cabs. Members will then be able to drill down for the right selection by picking from the filter menu of what cab there looking for (Regular, Extended or Crew) to 2 wheel or 4 wheel drive down to the bed length there looking for. All factory options are then presented for the member to select from, this will show all current factory orderable options, taking the guess work out for the member. Once a member selects a desire build, they will see there Sourcewell Price report showing the MSRP, there contract price, the saving in real dollars and as a percentage. In the PDF example you can see a saving of $ 9,175.96 of 22.345% to the member showing a significant savings. Members then can chose to add extra’s to there order like extra keys’ service manuals, sales tax and even request an upfit to be added to there quote. Lastly they will be given a complete turn key quote package to print which will include there customized Quote ID, Description and Specifications of what they built. How Members and Upfitters can Partner with NAFG: Our dedicated website www.NAFGPartner.com was built to accommodate the member who would like a certain upfitter to upfit there vehicles. It was also built for upfitters to have a place to go where they can find information on how to partner with NAFG to better serve there local members. Example of A Member with Upfit Quote: This is an example of how we use our Cab Chassis and combine them with an upfit to provide a turnkey solution for the member in a simple to follow format. ETA System for Members Walk Through: This is where members can easily come to our website, the same website they built there chassis on and track there order like they would a UPS package. We have a very simple display on our homepage “Track your order” where members can enter one of the following: Purchase Order Number, Quote ID, Upfit Quote ID or vin to easily see there in the process there particular order is in. Courtesy Confirmation Explained: After NAFG receives an order from a Member, we always like to send them a Courtesy Confirmation. This is were the member will double check some particulars on there order like, Color, Quantity, Upfit and Specification’s are all correct before order placement. We also like to ask for title information at this point so we can help process the paperwork at delivery promptly. Factory Order Cut Off Notices: Here is were we like to highlight were members can access any upcoming factory order cut off dates. We walk them through the process step by step to ensure everyone knows the upcoming order cut off date, we even print this information (if known at the time) right on the cover page of there quotes. Validation Walk Through Example: To demonstrate a price validation, we show what a member would see when they build a truck on our site. At check out the member would see the Total Configured MSRP of $ 35,730.00, A Sourcewell Price of $ 27,331.68, Total Saving of $ 8,398.32 or 23.505% for a 2020 F-250 followed by the pricing page which shows the Minimum Discount of at least 18.50%. As you see we provided an additional 5% discount on top of the 18.50% contract discount. This would be the case in most instances.	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Our willingness and ability to service members nationwide is unparalleled. We have dedicated staff 5 days a week, from 7am to 7pm standing by ready to assist any member help find the best solution for there needs even if helping assist them to the best Sourcewell Contract that could be a solution. We have a dedicated live chat feature on our online quote generating website in case any member has any trouble at all in building there quotes. NAFG has established a chain of suppliers who are at the ready to serve if called upon by any member. We are here to help.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	We are willing and eager to soon extend our business model and network into Canada. We believe partnering with local Canadian based dealer groups is key to success in the Canadian market. NAFG’s competitive pricing as well as a simple US Dollar to Canadian conversation will help NAFG expand into the Canadian market for participating Sourcewell members.	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	National Auto Fleet Group will handle servicing 100% of all geographic areas located in the United States. Although it is unclear what unseen obstacles we may face in Canada, NAFG is committed to building the same model to service Canada and providing the same level of customer satisfaction, service, and care as in the United States.	*

33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	NAFG will continue to service all Sourcewell Members through our 24 hour a day, 7 days a week online portal with the exclusion of Non-Profits. Unfortunately, Non-Profits are often not eligible for the same discount's government entities are qualified for. However, Non-Profits are subject to a different pricing program and will be evaluated on a case to case basis.	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	The only possible logistical constraints we may face is the shipping constraints for shipments arriving in Alaska, Hawaii and US Territories. For example, we often provide members in Alaska or Hawaii with vehicles that often have upfits. To circumvent this potential issue, members allow us to add these extra shipping and port costs to their quotes.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group encompasses a variety of marketing strategies to promote our products and services to streamline the vehicle purchasing process for government entities. Below are a few strategies used to serve as the gateway between our business and public agencies. Website and Inbound Marketing: The creation of a professional customer-focused website is one of our main features to market our products and services. The NAFG website encourages our members to interact and browse through products offered along with pricing and information about National Auto Fleet Group. Inbound marketing is created when potential members are directed to the company website. With this method, we are able to not only connect with members but to put the purchasing ability into the hands of each member. Our inbound marketing strategy attracts members by creating valuable content and experiences tailored to the needs of each individual. Examples include email campaign flyers on our products, informative and how-to videos, social media and engaging members with top-notched customer service to build brand awareness. Email Marketing: One of the main strategies used to engage current and potential members is Email Marketing. Our emails include different types of flyers that consist of information of the Sourcewell contract, promoting manufacturer brands, holiday themed flyers, discounts offered to first time buyers, important cutoff date reminders and upcoming products and events. The use of marketing campaigns plays a major role in enhancing the growth of our client database. Emails are a big part of our daily lives due to government agency employees utilizing emails as their main source of communication. We use campaigner.com as the emailing platform to reach our target members. Videos and descriptive images are used on all flyers and are compatible with a desktop or mobile device. Messages are short and to the point with links leading to the Sourcewell and NAFG homepage. The Campaigner email system allows the ability to track email activity based on open rate, unsubscribes and link clicks which is beneficial to understanding email effectiveness. Once potential members are directed to our website, they are welcomed with a wide range of options to explore an array of our products and services. They are able to register to become a member, view pricing, explore available in-stock vehicles, view how-to-videos, build a vehicle online to request an immediate quote or use our live chat assistant or call/email for live support. Face to Face Marketing Strategies: This strategy has proven to be successful in generating leads and creating lasting relationships by developing genuine connections with prospective members. National Auto Fleet Group attends several trades shows per year to engage members and put a face to the company. This in person meeting aids to build the brand by nurturing relationships between members and other vendors associated through the process. Trade shows attended include GFX, IAPPO, NIGP, ACT, CAPPO, and CASBO throughout the United States. NAFG has many opportunities to make in person presentations to propose products, services offered and to answer any questions potential members may have. These PowerPoint Presentations include topics on NAFG/Sourcewell process, how to facilitate the vehicle purchasing without bidding, informational videos, and the brands and services we provide. These meetings have been held at local cities, counties, school districts, water districts and ports. Relationship Marketing is a vital strategy used in building and maintaining long-term relationships practiced by National Auto Fleet Group on a daily basis. NAFG strives to create a positive and supportive connection with members by providing personalized and responsive customer service practices. The sales team has worked tirelessly to focus on providing outstanding customer support to create a powerful rapport with existing and new members. By going above and beyond, they have enhanced existing relationships and executed customer loyalty with repeat businesses. They strive to deviate from the "Car Salesperson" mentality which is 100% sales driven to a more product and customer service approach by instilling a sense of confidence in our clients. The goal is to regularly assist clients and address any needs and concerns even after the purchase has occurred. The strive to focus on solution selling vs. product selling develops into a mutually beneficial agreement for members and the business. Below are a few examples on successful relationship marketing from our Fleet Department: We had a member call in to request financing/lease options for a truck needed through our National Auto Fleet Group/Sourcewell vehicle contract. I contacted another Sourcewell vendor, Matt Geiselhart from NCL Gov Capital and he was happy to assist with a financing quote. The member also requested to trade in a current vehicle in their fleet and was directed to Govdeals for assistance in removing the outdated unit through an auction. The member was able to utilize three Sourcewell contracts to complete his transaction which simplified the entire process. The member was very satisfied with the amount of care and ease through his experience and became a repeat customer. By utilizing a cross-selling strategy, National Auto Fleet Group became his one stop shop to fulfill all fleet vehicle purchasing needs. "I had a member call in desperate to obtain a new truck because an employee had gotten into a serious accident and had the truck totaled. Due to covid restrictions, most manufacturers are currently experiencing microchip shortages which relays to production delays at the factory. We were able to direct buyer to our in-stock inventory on the NAFG website and member was ecstatic to locate truck to meet their needs. Instead of having to wait 30 weeks to receive the new vehicle, member was able to obtain the new truck within 3 weeks."	*

"I once had a member contact us two years after purchasing a vehicle from us. They had a malfunction with the liftgate on the box truck which caused a logistical nightmare. I was able to contact one of our body vendors that upfitted the lift gate installation and a service technician was able to go onsite to resolve the liftgate issue at no additional cost. The member was very impressed with the quality of our customer service even after purchase. "

"I had a member request a ¾ ton truck pricing but was unsure about their budget at the time. I took the time to go through each option with the client to provide a Sourcewell pricing quote through multiple manufacturers from Ram, Chevrolet and Ford. This empowered the member to have multiple pricing options for review to align with their budget as well as eliminating the need to shop anywhere else. "

"We work with many body companies to assist customers with the body upfitting process. One of our members called in a request to expedite a particular vehicle that was held up at one of their local body upfitters. I contacted the body company representative and put in a request to expedite the upfitting per request of the member. The body company was able to comply with the request and delivery was made sooner than expected."

Word-of-Mouth Marketing: The positive quality of service has led to more sales based on previous customers' impressions on their experience. NAFG's goal is to provide exemplary customer service throughout the entire purchasing process to encourage repeat business and advocate services to other members. NAFG has been fortunate to experience multiple instances of leads generated based solely on word-of-mouth marketing though our existing customers.

Cross-promotion: National Auto Fleet Group is currently collaborating with another Sourcewell Vendor, NCL Government Capital to promote each other's products and services. NCL Government Capital specializes in providing competitive equipment financing programs for municipalities and public education entities across the United States. As a team, NCL and NAFG produced a variety of marketing materials such as videos, flyers and info graphs to promote purchasing and leasing opportunities.

Hoglund Bus Company is another cross-promotion vendor NAFG had the opportunity to create a partnership with. Flyers were created to advertise Chassis from NAFG along with a variety of bus bodies from Hoglund Bus Company.

With cross-promotion, companies exchange knowledge and provide endorsements on websites, social media, and email campaigns. This strategy creates an influx of new leads, brand awareness, increased sales and recurrence of customers. National Auto Fleet Group will continue to create new partnerships and facilitate more cross-promotion opportunities in the near future to provide turnkey solutions for a variety of vehicle purchasing needs.

Coming in 2022, National Auto Fleet Group will be launching a NAFG Partner Website to further increase business growth. The website www.nafgpartner.com is expected to launch next year in 2022. The site encourages body upfitting companies throughout the United States to partner up with NAFG to become a preferred member. The benefits of becoming a preferred member include endorsements on website and social media avenues along with word-of-mouth referral for clients with upfitting needs. Our dedicated public relations representative will conduct phone and in person meetings to discuss the advantages of partnering up with NAFG, therefore generating more cross-promotion opportunities.

Members from government agencies are encouraged to go on the site to search for local body upfitting companies they are interested in working with. As a prerequisite in becoming a preferred vendor, they are required to advertise NAFG and the Sourcewell contract on their business website and refer their clients to purchase their cab/chassis needs through NAFG. This establishes a partnership that will generate increased sales all around. We are still currently building the website and interacting with body companies across the United States that would be interested in partnering up with NAFG.

36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Social media plays a crucial element in the way people communicate and connect with each other. LinkedIn is the go-to platform used by NAFG as it offers a variety of ways to expand our network by locating and connecting with relevant professionals in the industry. National Auto Fleet Group has utilized LinkedIn to engage current and potential members through personalized messages and posts. Personalized messages include thanking them for registering on site as well as directing them to on our link to the website, LinkedIn, YouTube, Facebook and Instagram company pages. The goal is to unite with people already on our database as well as people that would benefit from our products and services. Current flyers or messages about our company are also posted on the LinkedIn site to generate and attract more business. Time is also spent on reading posts from connections and observe any needs that National Auto Fleet Group may assist with. National Auto Fleet Group has begun utilizing video marketing strategies to further promote and market products by engaging on social media channels and email flyers. Programs such as Vimeo, Video Scribe, Cartoon Animator, Adobe Animate, Illustrate, Captive, Photoshop and Movavi Video Editor Plus are employed to edit and create videos to assist in endorsing our company. The following videos were recently created by our marketing department along with outside video production companies: Explainer Video: The first video created was a 90 second explainer video about National Auto Fleet Group that used animated characters to visualize our products and services along with information on the Sourcewell awarded contract. The video has been incorporated into all our weekly email flyers and social media platforms as an informative video on our products and how to purchase vehicles off Sourcewell Government Contract. How To Videos: National Auto Fleet Group has also created step-by-step How-To videos on the process to purchase both Light Duty and Heavy-Duty vehicles off the contract. In Stock Vehicles: This video showcases our in-stock vehicles available and the process of requesting a quote. ETA Tracking System: This video was created to not only introduce but to encourage clients to self-track their vehicle status. Holiday Themed Videos: These amusing videos were created to celebrate the holidays and add humor and lightness to our company and products sold. Cross Promotion Video: This video markets our relationship with NCL Government Capital and Sourcewell to endorse EV vehicles. Videos for social media: Mini videos were created to advertise new vehicles available, pricing and cutoff date reminders. NAFG has recently introduced a newly built live chat feature on our website for customer convenience as well as improving customer service. Visitors have access to chat with a live sales representative 24 hours a day, 7 days a week. With this feature potential customers are provided with another avenue for assistance in addition to emailing and phone calls. The benefits of a live chat option include quicker response time to assist buyers in reaching a purchasing decision and answer their questions. Improving customer service will also lead to increased sales, customer loyalty and engagement. Many studies have shown a strong correlation between live chat and increase in conversion rates. Potential clients appreciate having their questions answered in real-time when trying to build a vehicle quote online and allowing the user to multi-task different projects.
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell's mission states: "Our commitment to service and exceeding client expectations." This statement integrates with our relationship marketing strategy with our commitment to go above and beyond for all our members. Sourcewell is a trusted brand that government entities can rely on to access a wide variety of products and services for their everyday needs. With over 40 years of partnerships and relationship building, they are the glue that connects government, education, and nonprofit agencies to companies of all sizes to offer turnkey solutions to their needs. Sourcewell is also a reliable resource for vendors by not only connecting with potential prospects but by providing valuable marketing materials readily available for download on their website. Resources and tools provided include flyers, vendor training videos along with compliance information. The Sourcewell brand integrates a thorough documentation review of all vendors prior to awarding their cooperative contracts to ensure products and services are from reputable vendors. The brand provides a sense of legitimacy of our company name and members recognize that products and services are from reliable sources that will meet their needs. Sourcewell's aim is to simplify the purchasing and procurement process of government entities by eliminating the costly bidding procedure. The process of researching the right vendor is not only stressful and time-consuming but can be expensive as well. Sourcewell has completed the bidding for government entities which simplifies the overall purchasing process by providing access to competitively bid contracts procured by a government agency. Sourcewell has provided NAFG with overwhelming opportunities to work with government agencies across the United States. The Sourcewell name represents a high standard of integrity and ethics which is a dynamic National Auto Fleet Group is proud to be part of. Sourcewell members have access to a contract that is more flexible than the standard bidding process. Sourcewell is an organization that aids government entities to stay competitive without the frustrations and issues involved with the traditional bidding process. This contract can be customized to meet the unique needs of each client. The sales team has incorporated not only this standard of integrity in their sales practice ensuring clients' purchasing needs will always be met. The cost savings and stress-free nature of the cooperative contracts favors that of the traditional bidding process. It enables vendors to work with qualifying government entities in a more efficient manner. We vow to maintain these levels of standards across the board throughout all departments within the company.

38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Our website provides a hands-on empowering approach to ordering vehicles online. Clients can search through many vehicles makes and models with the ability to customize a vehicle tailored to their specific needs of their agency. A personalized quote with pricing can be available in as little as 5 minutes depending on the complexity of the vehicle. If upfitting is needed, the buyer can list the details of the up-fit while building their vehicle on our website to receive a complete quote or a sales representative can be reached through phone, email or our new live chat feature built on our website. We have recently created and uploaded a "How-To Videos" section on the homepage of our website which highlights a step-by-step process on how to build an online quote. This informative video demonstrates how to navigate the website in how to generate a vehicle quote with or without upfitting options. It begins by explaining how to register on our website as a member and then details on how to select vehicle model and type and the factory options needed. Once a customized quote is built, clients have the option to finalize the sales transaction by submitting a purchase order to our sales team via email. This gives complete autonomy to the client to purchase vehicles without the need to speak to a sales rep. If assistance is needed, they can contact sales through email, live chat or phone. If assistance is required to build a quote, our sales rep is also available to walk a client through the e-procurement process step by step. This ensures someone is available to answer any questions if needed and empowering the client to make any future purchases on their own. Clients may also call or email the needs of the company and receive a customized vehicle quote.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	National Auto Fleet Group extends any and all product, equipment, maintenance and operating programs provided by the Manufacturer directly to Sourcewell participating entities during the quoting process. The manufacturer will provide quotes to the member based on the vehicles class and size, and geographic location. NAFG will always pass these quotes onto members and treat them like an upfit to the vehicle.	*
40	Describe any technological advances that your proposed products or services offer.	Technological accomplishments by Manufactures like Ford Motor Company and General Motors serve members by keeping many models available for members to choose from. Additionally, NAFG allows members the ability to choose to electrify their vehicle by opting into the Motive Power Systems we can still help supply this kind of an upfit. For more information, we have attached the product and pricing information within the "Upfits Available" and "All 15 Manufactures" ZIP files under the supporting documents portion of the application.	*
41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	. National Auto Fleet Group helped create the Climate Mayor Purchasing Collaborative by partnering with over 400 Mayors nationwide. This initiative was created for the benefit of members who wanted to create and sustain an all-electric fleet. We offer 100% purely electric vehicles your members to choose from. Some popular models include the Chevrolet Bolt, Ford Fusion, Ford Mustang Mach-E, as well as Ford's all electric F-150. We are confident that as more OEM's continue to manufacture new electric vehicles, we will provide them for members to select from. More information about this initiative can be found at www.Driveevfleet.org	*
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	NAFG has the California Air Resource Board (CARB) Certificate as well as the Ford Qualified Vehicle Modifier Certificate on file with some of our partner suppliers and upfitters hold these certifications and these certifications help illustrate how each vehicle conserves energy and remains energy efficient.	*
43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	NAFG holds a current partnership with many suppliers some of which are veteran owed such as Pacific Truck Body located in CA. Our Ford, Chevrolet and Ram,Jeep,Dodge,Chrysler stores are jointly owned and operated by Minorities.	*
44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	. National Auto Fleet Group was not only built on dedication and hard work, but also through quantifiable metrics that directly measure the results of our efforts to ensure real goals are being measured and met. Through measuring results, NAFG takes responsibility in ensuring we deliver only the best customer care to your members. NAFG offers members 24 hour website access to customer support to personably walk members through any questions they may have. No matter what the issue may be, we always think outside the box to help members find a solution.	*

Table 9A: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
45	Do your warranties cover all products, parts, and labor?	Each of the 15 manufactures we represent cover their own products, parts, and labor. All warranty information may be found in our attachments under the ZIP File "All 15 Manufactures".	*
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Prior to purchase, members should be aware of each manufacturer's restrictions. Such as improper use of the vehicle may result in disqualification of coverage under the OEM's warranty. An example of this may be an F-350 being used for a police related pursuit, which may void certain warranties. Although, we always welcome and encourage members to contact us for their particular warranty coverage.	*
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	In some cases, manufacturers will tow a member's vehicle to the nearest warranty repair facility in case of a breakdown and cover expenses, but prior approval is required.	*
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	This may vary from manufacturer to manufacturer. Thus, we encourage members to call in prior to purchase and inquire about their specific region and how their warranty repairs will be covered with their manufacturer.	*
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	All warranties are typically passed on to the original equipment manufacturer and any upfit warranty will be passed on to the upfitter to perform.	*
50	What are your proposed exchange and return programs and policies?	If a member changes their mind, NAFG will quickly make every effort to change or cancel the order with the factory. However, once the manufacturer begins producing the vehicle, there are no changes, exchanges, or refunds available. The order is then deemed non-cancellable. This includes any upfit equipment an upfitter has ordered for the unit.	*
51	Describe any service contract options for the items included in your proposal.	NAFG offers any and all manufacturer service contracts for all members. There are several parameters in which a service contract may be customizable. These customized service contracts will be treated as add factory options and following the same discount schedule provided in the pricing file.	*

Table 9B: Performance Standards or Guarantees

Describe in detail your performance standards or guarantees, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your performance materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
52	Describe any performance standards or guarantees that apply to your services	The only guarantee we can ever provide is the guarantee that we will treat and help every member that contacts with respect, integrity and professionalism.	*
53	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	NAFG and staff uphold high standards with how we provide service to the members, not only holding each other accountable but by embracing member feedback of how we can improve. Then we act upon it and implement improvements.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
54	Describe your payment terms and accepted payment methods?	Standard payment terms are Net 20, with a 10 – day grace period.	*
55	Describe any leasing or financing options available for use by educational or governmental entities.	. In order to provide leasing or financing options, NAFG has partnered with National Cooperative Leasing to offer leasing terms for Sourcewell members for all NAFG quotes under the Sourcewell contract. For further review, we have attached a PDF called "NCL Sample Lease" in the "Member Walk Through" Zip file.	*
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	National Auto Fleet Group's transaction process (Purchase Order) is closely tracked, well documented, and neatly organized to monitor each transaction performed through our Sourcewell Contract. This way, NAFG may produce swift and accurate quarterly reporting.	*
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes, NAFG accepts up to $2,500 per vehicle. However, any dollar amount higher than $2,500 will require a P-card/ Credit Card transactional fee that would be passed onto the member	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group is offering Line-Item Discounts Off Manufacture Suggested Retail Price for 15 manufacturers that is detailed in the Price File. NAFG will also offer any Upfits to be added to any and all vehicles' that members wish to add. Details are located on the Price Summary Page in the Price File.	*
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	NAFG has an provided offerings from 15 Brands/OEMS and there respective percentage off vary and are detailed in the "Price File" zip Each Manufacture Range is detailed in the tabs below, here is an overview Chevrolet from -.077 to 24.45 % Ford Motor Company from -5.19 to 23.31 % GMC from 6.14 to 22.45 % Ram from 4.99 to 14.23 % Dodge from 3.09 to 9.96 % Jeep from 1.38 to 4.17 % Chrysler from 1.65 to 4.55 % Toyota from .03 to 8.98 % Honda from 1.34 to 4.9 % Nissan from -.085 to 14.61 % Buick from 2.36 to6.08 Kia from .69 to 8.39 % BMW from 3.8 to 4.77 % Cadillac from 4.22 to 6.77 % Volkswagen from 2.17 to 2.46 %	*
60	Describe any quantity or volume discounts or rebate programs that you offer.	If clients are considering an order of 150 or more units, we encourage members to contact us for any additional discounted quotes.	*
61	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	"Open Market" products or "Sourced Goods" will be considered and treated as regular upfits. However, they may be quoted up to a 10% mark up, if applicable.	*
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	All considerations have already been taken into account in its entirely. The Price Summary Page and Price Table contained in the price file includes all considered costs. Although if a member requested a specialized quote for a unique situation that requires special training, direction, or installation, the additional costs would be added as a part of the upfit and then included inside the member's quote.	*
63	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	All manufactures charge a standard "Factory Destination Charge". However, that is separate from the freight/destination cost that members may incur to ship a vehicle to and from an installer, if applicable. These subsequent locational movements may bare additional freight costs that will be outlined within the members quote for their review prior to purchase.	*
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight, shipping, and delivery terms among these regions sometimes carry additional logistical charges for added ferry, port and driver costs from both to and from the mainland. These added costs will be disclosed on the quote for members to review and approve prior to purchase.	*
65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	National Auto Fleet Group already has a well-established Automobile Franchise Distribution Network that allows for swift and relatively seamless delivery to members and their end users.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	NAFG Strives to offer the best overall value to the member with each and every quote.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Sourcewell participating members are able to obtain proper pricing directly from our website, where they are able to use our user-friendly design to build and price their vehicles. The NAFG is updated daily to reflect updated manufacturer MSRP information. Our system will provide members with an accurate quote 99.99% of the time. In addition, NAFG has a stream line and organized process hat calculates administrative fees and allows NAFG to give a turnaround time of 15 – 30 days for quarterly reports.	*
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	One of the internal metrics NAFG uses to track and measure success with the Sourcewell Contract is maintained through our website. Our website keeps a detailed log of quotes that members are generating. We oversee and keep track of how many quotes are being generated and which quotes are met with a purchase order. Every month we evaluate our sales indicators and closely monitor the volume and frequency of sales. One example is by evaluating which members are purchasing from our platform – new members or frequent members to ensure we are growing our member base. We use these metrics to measure our projected growth rate and work to exceed our expectations.	*
69	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	NAFG will submit $ 300 per vehicle purchased through NAFG and $ 200 per vehicle purchased though our partner dealer Alan Jay Automotive. For the purpose of an admin fee there are no other partner dealer groups considered.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	NAFG has provided a "Model Roll Out" Charts in the "Price File" zip, but of the 15 manufacturers we represent, they have over 100 makes and models for members to choose from that range from Class 1-3 and supporting Class 4 Cab and Chassis trucks. NAFG's platforms can add any upfit of their choosing, ranging from toolboxes to Line Mechanic Bodies. Any and all upfits can be added to any one of our vehicles through one of our upfit partner suppliers or by an upfit supplier of the members choosing. NAFG and the supplier will work together to supply members with turnkey quotes.	*
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	National Auto Fleet Group lists the makes and models of all 15 manufacturers we represent under the ZIP File "All 15 Manufactures". These 15 OEMs make up over 100 combined makes, models, and engine combinations for members to select from along with several subtitle "Upfits" detailed for members in the price file.	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
72	Automobiles	(•) Yes ( ) No	15 Manufacturers totaling well above 700 makes and models
73	Sport Utility Vehicles	(•) Yes ( ) No	15 Manufacturers totaling well above 700 makes and models
74	Vans	(•) Yes ( ) No	15 Manufacturers totaling well above 700 makes and models
75	Trucks	(•) Yes ( ) No	15 Manufacturers totaling well above 700 makes and models
76	Vehicles described in Lines 72-75 above for Public Safety applications	(•) Yes ( ) No	15 Manufacturers totaling well above 700 makes and models
77	Conventional internal combustion models	(•) Yes ( ) No	15 Manufacturers totaling well above 700 makes and models
78	Natural gas or propane autogas, hybrid, or alternative fuel models	(•) Yes ( ) No	15 Manufacturers totaling well above 700 makes and models
79	Electric powered models	(•) Yes ( ) No	15 Manufacturers totaling well above 700 makes and models

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 80. **NOTICE**: To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- Pricing - NAFG Price File for Bid 091521.zip - Monday September 13, 2021 19:29:27
- Financial Strength and Stability - Market Success and Financial Stability.zip - Monday September 13, 2021 19:30:12
- Marketing Plan/Samples - Marketing Plan Compressed.zip - Tuesday September 14, 2021 11:38:30
- WMBE/MBE/SBE or Related Certificates - Insurance and Related Documents.zip - Tuesday September 14, 2021 11:40:18
- Warranty Information - Warranties RFP 091521.zip - Tuesday September 14, 2021 11:40:36
- Standard Transaction Document Samples - Standard Transaction.zip - Monday September 13, 2021 19:54:48
- Upload Additional Document - ALL 15 Makes and Upfits.zip - Tuesday September 14, 2021 11:35:54

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:

    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Jesse Cooper, Fleet Manager, 72 Hour LLC

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_6_ Autos_SUVs_Vans_Trucks_RFP_091521 Wed September 8 2021 06:27 PM	☑	1
Addendum_5_ Autos_SUVs_Vans_Trucks_RFP_091521 Tue September 7 2021 07:28 PM	☑	2
Addendum_4_ Autos_SUVs_Vans_Trucks_RFP_091521 Thu August 26 2021 05:55 PM	☑	1
Addendum_3_ Autos_SUVs_Vans_Trucks_RFP_091521 Mon August 23 2021 09:47 AM	☑	1
Addendum_2_ Autos_SUVs_Vans_Trucks_RFP_091521 Sun August 8 2021 09:02 PM	☑	1
Addendum_1_ Autos_SUVs_Vans_Trucks_RFP_091521 Thu August 5 2021 03:58 PM	☑	1

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #:7

Agenda Item: Reimbursement Agreement with El Dorado County for Purchase of Communications Equipment for Fire Rescue Marine 17 Using 2021 Homeland Security Grant Funds in an amount up to $7,652

Executive Summary: City Council is asked to approve a funding reimbursement agreement with El Dorado County for the purchase of AIS secure communications GPS equipment for SLTFR Marine 17 not to exceed $7,652.00, appropriate funding in FY 2023-2024 budget, and authorize purchase of equipment and installation from Raymarine.

Requested Action / Suggested Motions: Pass a Resolution authorizing and directing the Mayor to execute a funding reimbursement agreement with El Dorado County for the purchase of AIS secure communications GPS equipment for South Lake Tahoe Fire Rescue Marine 17 not to exceed $7,652.00, appropriating funding in the FY 2023-2024 budget, authorizing purchase of the equipment and installation from Raymarine, and authorizing the City Manager to sign and submit all documents necessary documents for the completion of the grant scope.

Responsible Staff Member: Jay Manning, Battalion Chief, Jim Drennan, Fire Chief

Reviewed and Approved By: Susan Blankenship, City Clerl Olga Tikhomirova, Director of Finance Heather Stroud, City Atorney

Attachments:

01-Staff Report - Funding Agreement with EDSO.docx
02-Resolution - Funding Agreement with EDSO.docx
03-Funding Reimbursement Agreement with El Dorado County for Marine 17 Equipment.pdf
04-Order Acknowledgement

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: Resolution Authorizing Purchase of AIS Equipment for SLTFR Marine 17 under a reimbursement agreement with El Dorado County using 2021 Homeland Security Grant funds in the amount up to $7,652.00.

Location: Citywide

Responsible Staff Members: Jay Manning, Battalion Chief (530) 542-6164, and Jim Drennan, Fire Chief (530) 542-6152

Background: The Homeland Security Grant is administered by El Dorado County on an annual basis and approves the funding of projects using Homeland Security Grant funds. The funds are divided between public safety departments throughout El Dorado County, City Police and Fire Agencies.

Issue and Discussion: El Dorado County was awarded grant funds in the amount of $265,040.00 for the FY 2021 Homeland Security Grant, which was included in the County Sheriff's Office Fiscal year 2023-2024 budget. As required by the Homeland Security Grant, The County Board of Supervisors reaffirmed the creation of an Approval Authority, representing the city of Placerville, City of South Lake Tahoe, Sheriff, Public Health, and Fire Districts to distribute the grant funds at the local level. The Approval Authority has agreed to disburse an amount not to exceed $7,652.00 to the City for the purchase of AIS GPS transponder system for SLTFR Marine 17. The Resolution authorizes the City Manager, or Fire Chief to sign and submit all documents, including but not limited to applications, agreement amendments, payment requests, and necessary documents for the completion of the grant scope.

Financial Implications: Application submitted will be in the amount up to $7,652.00 to fund the purchase of the AIS GPS Transponder System for SLTFR Marine 17 from Ray Marine, current vendor of the equipment installed in our City Marine units.

Upon award, funds should be appropriated into the Fiscal Year 2023-24 budget as follows:

Revenue: 100-02210-33316 County Homeland Security $7,652
Expense: 100-02210-46110 Equipment $7,652.00

The Funding/Reimbursement Agreement with the County requires certain compliance with the applicable law and grant requirements, including tagging and maintaining strict accountability of the equipment. Additionally, the equipment is subject to an audit by the County or the State of California (Cal OES) and must be made available for mutual aid, as

requested. The federally funded equipment can be disposed only upon receipt of written approval from the U.S. Department of Homeland Security or its delegated representative.

Environmental Considerations: The proposed action of applying for the grant funds is not a “project” under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) because it is a continuing administrative or maintenance activity such as purchases for supplies and personnel-related actions.

Policy Implications: Adhere to the 2021 FINANCIAL MANAGEMENTGRANT FUNDING AND COMPLIANCE POLICY

3.1 APPROVAL PROCESS
Upon Grant approval the Department will receive a grant award letter from the funding agency detailing the measures necessary to accept the award. The city should also receive a finalized grant contract which will become a binding agreement. The grant contract and all compliance measures should be reviewed by the Grants Manager, Project Manager, and the Department Director. Grant Manager reviews the grant contract to ensure ability to maintain compliance, and the Director will ensure the department’s capability to comply with the contract and will make the appropriate recommendation to City Manager and City Council.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

December 12, 2023

Resolution Authorizing Purchase of AIS Equipment for SLTFR Marine 17 under a Reimbursement Agreement with El Dorado County Using 2021 Homeland Security Grant funds in an Amount up to $7,652.00.

BACKGROUND

A. El Dorado County was awarded grant funds in the amount of $265,040.00 for the FY 2021 Homeland Security Grant, which was included in the County Sheriff's Office Fiscal year 2023-2024 budget.

B. The grant provides funding for planning, equipment, training, exercises, and management/administrative costs.

C. The county is the Operational Area lead agency, will receive the grant funds, purchase and loan equipment and services to other participating agencies or reimburse agencies who purchase grant approved equipment or services.

D. The City of South Lake Tahoe is a local participating agency in the FY 2021 Homeland Security Grant program.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes and directs the Mayor to sign a reimbursement agreement with El Dorado County for the purchase of AIS transponder GPS equipment for SLTFR Marine 17 in the amount up to $7,652.00.
2. Certifies that the City of South Lake Tahoe has or will have sufficient funds to operate and maintain the project.
3. Certifies that if approved, funds under the jurisdiction of The City of South Lake Tahoe are available to begin the project.
4. Certifies that said applicant will expend grant funds in accordance with Grant Sub-Recipient Agreement Between El Dorado County and the City of South Lake Tahoe.
5. Appoints City Manager or a designee to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the aforementioned project.
6. Accepts the grant funds and authorize the Finance Director to appropriate the funds into the Fiscal Year 2023-2024 budgets as described in the staff report.

Adopted by the City of South Lake Tahoe City Council on December 12, 2023 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

FUNDING/REIMBURSEMENT AGREEMENT WITH THE CITY OF SOUTH LAKE TAHOE

THIS AGREEMENT made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and the City of South Lake Tahoe (wherein after referred to as "City").

Recitals

WHEREAS, County applied for FY 2021 Homeland Security Grant programs ("Grant"); and

WHEREAS, County was awarded grant funds in the amount of $265,040, for the FY 2021 grant, which was included in the County Sheriff's Office Fiscal Year 2023 - 2024 budget; and

WHEREAS**,** Grant provides funding for planning, equipment, training, exercises, and management/administrative costs; and

WHEREAS, County, as the Operational Area lead agency, will receive the grant funds, purchase and loan equipment or services to other participating agencies, or reimburse agencies who purchase grant approved equipment or services; and

WHEREAS, as required by the Homeland Security Grant, on June 23, 2015, the County Board of Supervisors reaffirmed the creation of an Approval Authority, representing the City of Placerville, City of South Lake Tahoe, Sheriff, Public Health, and Fire Districts, to distribute the Grant funds at the local level; and

WHEREAS, City is a local participating agency in the FY 2021 Homeland Security Grant program; and

WHEREAS, the Approval Authority has agreed to disburse an amount not to exceed $7,652.00 in grant funds to City, for City to purchase: a GPS system (hereinafter referred to as the "Equipment");

NOW, THEREFORE, County and City mutually agree as follows:

ARTICLE I

Payment of Funds: County will reimburse City in an amount not to exceed $7,652.00 solely for the purchase of Equipment within thirty (30) days after City presents an invoice, as well as documentation verifying that City complied with grant purchasing guidelines to County. In no event shall County's obligation under this Agreement exceed $7,652.00.

ARTICLE II

*Use of Funds***:** City will use the funds to be reimbursed by County solely for the purchase of the Equipment. City is responsible for any other costs incurred in accordance with grant purchasing guidelines related to the Equipment. City shall purchase the Equipment directly from the supplier and shall take title directly without title passing through the County. City will purchase the Equipment by May 31, 2024, or expiration date of grant if a time extension is granted for this project and present the County with an invoice for payment. In the event City does not purchase the Equipment by the grant's expiration date, and invoice the County by the grant's expiration date, or in the event City does not adhere to grant purchasing guidelines, County's obligation for payment shall be null and void, and upon written demand by County, City shall return any funds it has received from County and not spent on the Equipment to County within thirty (30) days of mailing of written demand of County.

City shall submit to County its statement of the total sum of an amount not to exceed $7,652.00, identical to Attachment A, noting that the Equipment has been purchased and received. Such statement shall be signed under penalty of perjury by an authorized signatory of City.

ARTICLE III

*Term***:** This Agreement shall become effective when fully executed by both parties ("Effective Date") covering the reimbursement of purchase of Equipment from the start of the grant term and shall expire when grant performance period expires, currently scheduled for May 31, 2024.

ARTICLE IV

Audit and Access to Records: The County shall have the right of access to any books, documents, papers, or other records which are pertinent to the Grant, to make audits, examinations, excerpts and transcripts. City will keep and maintain an accurate financial account, in accordance with generally accepted accounting principles, of all funds expended by City with respect to the Equipment until notification is provided by the county that the State Homeland Security Grant Program has closed the grant and completed all audits and reviews. Such accounting records shall be available for inspection by the County's designee, during normal business hours at the offices of City, or the offices of its financial consultant.

ARTICLE V

Compliance with Applicable Law and Grant Requirements: City has read and understands the Grant and will comply with and require any vendor of the Equipment to comply with all laws, regulations and guidance documents that apply to the Grant. City is responsible for ensuring that all purchases for goods and services must comply with grant purchasing guidelines. Specifically, City shall comply with 2 Code of Federal Regulations (CFR) Part200, E.O. 12372, and any current Administrative Requirements, Cost Principles, and Audit Requirements.

City agrees to maintain accountability of all items, mark or tag all individual items or sets costing over $5,000 for inventory and control purposes, maintain or repair any items and ensure

all CFR required record keeping. ID tag numbers, location of storage, and physical condition will be reported by City to the County at the time of purchase and at least once per year thereafter.

Items lost or destroyed within the Grant Performance Period must be replaced solely by the City at its own expense. City is responsible for ensuring that all items, regardless of cost, procured under this or any federal grant programs will be maintained and controlled for the useful life of the items, and any sale, disposal, or planned destruction of said items will be done only upon receipt of written approval from the U.S. Department of Homeland Security or its delegated representative.

City agrees that federally funded equipment must be made available for mutual aid, as requested.

In the event an audit by the County or the State of California (Cal OES) determines City failed to comply with these guidelines, the County shall provide written notification of the violation and City may be required to reimburse the County for the total cost of the affected items.

ARTICLE VI

Debarment and Suspension Certification: By signing this agreement, City agrees to comply with applicable federal suspension and debarment regulations including, but not limited to **45 CFR 76**.

By signing this agreement, City certifies to the best of its knowledge and belief, that it and its principals:

A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

B. Have not within a three year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification of destruction of records, making false statements, or receiving stolen property;

C. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in Paragraph b(2) herein;

D. Have not within a three (3)-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State, or local) terminated for cause or default;

E. Shall not knowingly enter any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., **48 CFR part 9, subpart 9.4**), debarred, suspended, declared ineligible or voluntarily excluded from participation in such transactions, unless authorized by the State; and

F. Shall include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

If City is unable to certify to any of the statements in this certification, City shall submit an explanation to County**.**

The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.

If City knowingly violates this certification, in addition to other remedies available to the Federal Government, County may terminate this agreement for cause or default.

ARTICLE VII

Independent Authority Liability: City is, and shall be at all times, deemed independent and shall be wholly responsible for the acts of the City's employees, associates, agents, and contractors, if any, in connection with the purchase of the Equipment.

ARTICLE VIII

No Third Party Beneficiary: Nothing in this Agreement shall be construed to create any rights of any kind or nature in any other party not a named party to this Agreement.

ARTICLE IX

*Termination***:** County may terminate this Agreement in the event City becomes unable to substantially perform any terms or conditions of the Agreement. In the event of early termination of the Agreement, funds previously received from County shall be returned to County within thirty (30) days of termination.

ARTICLE X

*Notice to Parties***:** All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Mail, postage prepaid and return receipt requested. Notices to County shall be in duplicate and addressed as follows:

EL DORADO COUNTY SHERIFF'S OFFICE
200 Industrial Drive
Placerville, CA 95667
ATTN: Asst. Deputy Director of OES

or to such other location as the County directs.

Notices to City shall be addressed as follows:

City of South Lake Tahoe
1901 Lisa Maloff Way

South Lake Tahoe, CA 96150
ATTN: Joe Irvin, City Manager

or to such other location as City directs.

ARTICLE XI

*Indemnity***:** City shall defend, indemnify, and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys' fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the purchase of the Equipment. This duty of City to indemnify and save County harmless includes the duties to defend set forth in California Civil Code section 2778.

This obligation to defend and indemnify the County shall survive the expiration or termination of this Agreement and shall remain in full force and effect. Within thirty (30) days after the Effective Date of this Agreement, City shall provide proof in a form satisfactory to the County's Risk Manager of participation in a self-insurance program, or proof of insurance sufficient to meet City's defense and indemnification obligations herein.

ARTICLE XII

*Change to Agreement***:** This Agreement may be amended by mutual consent of the parties hereto. Said Amendment shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

ARTICLE XIII

Administrator: The County Officer or employee with responsibility for administering this Agreement is Jeff Leikauf, Sheriff, or successor.

ARTICLE XIV

Authorized Signatures: The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

ARTICLE XV

Partial Invalidity: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XVI

Venue: Any dispute resolution action arising out of this Agreement, including but not limited to litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California. Authority waives any removal rights it might have under Code of Civil Procedure Section 394.

ARTICLE XVII

Entire Agreement: This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

ARTICLE XVIII

Time is of the Essence: The parties hereto acknowledge and agree that time is of the essence.

REQUESTING DEPARTMENT CONCURRENCE:

By: _____ Dated: _____
Bryan Golmitz
Undersheriff

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first below written.

COUNTY OF EL DORADO:

Dated: _____

By:_____
Chair
Board of Supervisors
"County"

ATTEST:
Kim Dawson, Clerk
of the Board of Supervisors

By: _____

Dated:_____

ATTEST:
Susan Blankenship, City Clerk

By:_____

Dated:_____

CITY OF SOUTH LAKE TAHOE

Approved By: _____
Cristi Creegan,Mayor

XXX, XXXX

Sheriff Jeff Leikauf
Sheriff's Office
County of El Dorado
200 Industrial Drive
Placerville, California 95667

Re: City of South Lake Tahoe
FY 2022 Homeland Security Grant Equipment

Dear Sheriff Leikauf:

I certify that the City of South Lake Tahoe completed the following purchase of the Equipment in accordance with grant purchasing guidelines and grant assurances.

Attached is the invoice for this Equipment. Please remit the reimbursement at your earliest convenience.

I declare under penalty of perjury under the laws of the State of California that the foregoing certification is true and correct. Executed on the date written above in El Dorado County, State of California.

City of South Lake Tahoe

By:_____
Cristi Creegan, Mayor

Raymarine

ORDER ACKNOWLEDGEMENT

SALES ORDER NO.	ORDER DATE
24931041	**09/28/2023**
PURCHASE ORDER NO.	TERMS OF DELIVERY
M17	**Ex works prepay & add**
SHIP VIA	PAYMENT TERMS
UPS Ground (Weight Based Code)	**Credit Card Payment**
EXPORT	CURRENT DATE
No	**09/28/2023**

ORDER TYPE:

Teledyne FLIR Maritime US, Inc.
110 Lowell Road
HUDSON NH 03051
UNITED STATES OF AMERICA

BILL TO	SHIP TO
610788 **City of South Lake Tahoe Fire Department** **2101 Lake Tahoe Blvd** **South Lake Tahoe CA 96150**	**610788** **City of South Lake Tahoe Fire Department** **2101 Lake Tahoe Blvd** **South Lake Tahoe CA 96150**

ITEM	PART NUMBER	DESCRIPTION	PLANNED SHIP DATE	REQUEST DATE	QTY	PRICE	AMOUNT (USD)
10	E70529	AIS5000 Transponder Bundle	09/28/2023	09/28/2023	1 EA	3,500.00	3,500.00
20	E70372	Axiom Pro 12 RVX - 12.1" MFD with RealVision 3D and 1kW CHIRP	09/28/2023	09/28/2023	1 EA	2,250.00	2,250.00

Seller's acceptance of this Order is expressly conditioned upon the Buyers assent to Seller's general Terms and Conditions of Sale as stated in Seller's Offer and found at
https://www.flir.com/corporate/reseller-and-customer-information/
Seller is proceeding with the performance of Buyer's Order strictly on this basis

These commodities, technology or software may not be used in the design, development, production or use of nuclear, chemical or biological weapons or missiles.

These commodities may not be sold, transferred or exported to the territory of Belarus, Burundi, Central African Republic, Crimea Region (of Ukraine), Cuba, the Democratic Republic of Congo, the Republic of Congo, Donetsk Region (of Ukraine), Guinea-Bissau, Iran, Luhansk Region (of Ukraine), North Korea, Russia, Rwanda, the Republic of South Sudan, the Republic of Sudan, Somalia, Syria, Tanzania, Uganda, Zambia and Zimbabwe.

THIS IS NOT AN INVOICE. PLEASE DO NOT PAY FROM THIS DOCUMENT. ORDER CONFIRMATION ONLY.
Teledyne FLIR Maritime US., Inc. acknowledges with thanks your order as detailed above subject to our standard terms and conditions, a copy of which is available on request.

SHIPPING & HANDLING	24.10
SUBTOTAL	5,774.10
TAX	505.23
TOTAL ORDER AMOUNT (USD)	6,279.33

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 8

Agenda Item: Barton Avenue & 2nd Street Drainage Project - Ratification of Change Orders No. 1, 2, 3 & 4 ($228,561.50)

Executive Summary: The Barton Avenue & 2nd Street Drainage Project was awarded to contractor, Lafleur Excavating, Inc. on May 2, 2023, with an approved contract amount of $1,993,999 and an approved construction contingency of $199,400. The Contractor encountered unknown subsurface utility conflicts affecting STPUD water mains and S.W. Gas service laterals resulting in extra construction costs of approximately $179,000, which only left approximately $20,400 of construction contingency. Other unanticipated extra work included asphalt pavement tie-in and driveway transition pavement, two-sack cement slurry backfill of shallow storm drain pipe, and other quantities exceeding the estimated construction contract bid item amounts. Ultimately, the overall contract expense total exceeded the approved 10% construction contingency by $29,161.60. Attachment No. 3, Change Order No. 4 - Balancing Worksheet summary lists the contract bid items with over and under-quantity bid items and Project construction cost totals. The cost increase exceeding the approved 10% construction contingency will be covered by reimbursement from STPUD and SWG; no additional budget is required.

Requested Action / Suggested Motions: Pass a Motion ratifying Change Orders 1-4 and increasing construction contingency to 11.5% ($229,310) to be reimbursed by Southwest Gas and South Tahoe Public Utility District at no additional cost to the City.

Responsible Staff Member: Stan Hill, Engineering Manager, and Jason Burke, Complete Streets Program Manager

Reviewed and Approved By: Anush Nejad, Director of Public Works Susan Blankenship, City Clerk Olga Tikhomirova, Finance Director Heather Stroud, City Attorney Joseph Irvin, City Manager

Attachments:

01-Staff Report - CCO Close-Out.docx
02-Vicinity Map.pdf
03-CCO-4 Balancing Worksheet.pdf
04-LaFleur Excavating, Inc Contract_C-054-2023.pdf

City of South Lake Tahoe
Report to City Council

Meeting Date: December 12, 2023

Title: Barton Avenue & 2nd Street Drainage Project - Ratification of Contract Change Orders No. 1, 2, 3, and 4 to Lafleur Excavating, Inc. ($228,561.50)

Location: Third St. and 2nd St. between Barton Ave. and Helen Ave; Barton Ave between 3rd St. and 2nd St; Helen Ave. between Third St. and Winnemucca Ave; Winnemucca Ave. between Helen Ave. and Silver Tip Ave; and Silver Tip Ave. between Winnemucca Ave. and Truckee Drive (see **Attachment 02 – Vicinity Map**)

Responsible Staff Members: Stan Hill, Engineering Manager/City Engineer
Jason Burke, Complete Streets Program Manager

Background:
The Department of Public Works has received many complaints of flooding in the Barton Ave – Second Street neighborhood. Land division and development within the area, occurring prior to City of South Lake Tahoe (City) incorporation in 1965, did not include stormwater drainage systems. The flooding issue is most prevalent on 2nd Street between Barton and Helen Avenue and was noted as a priority problem area in the *Drainage Master Plan Update* presented to the City Council on April 20, 2021.

Public Works acquired a Proposition 68, Urban Flooding Protection grant sponsored by the California Natural Resources Agency. Design work to prepare the Project Plans, Specifications, and Engineer's Estimate (PS&E) documents followed shortly after acceptance and appropriation of the grant funding (Resolution 2022-006).

Timeline:

- The Project PS&E bid documents were prepared by consultant, SNG & Associates Engineering during the fall and winter of 2022-23.

- At the May 2, 2023, City Council Meeting an agreement between the City and Lafleur Excavating, Inc. was approved for $1,993,999 and a 10% construction contingency of $199,400.

- Construction of the Barton Ave & 2nd Street Drainage Project started in May 2023 and was completed at the end of October 2023.

Constructed improvements include a new stormwater collection, conveyance, and stormwater treatment drainage system. Following completion of the new stormwater drainage and treatment system, the old deteriorating street pavement with a multitude of utility trenching patchwork was milled and overlaid with a new pavement surface.

Construction of the new stormwater drainage system will address historic urban flooding occurring at the intersection of Third Street and Helen Avenue, 2nd Street, east Helen Avenue, Winnemucca Avenue and Silver Tip Avenue.

Funding for a majority of the stormwater system improvements was provided through a Proposition 68, Urban Flooding Protection Grant Program sponsored by the California Natural Resources Agency. Funding for the street pavement mill and overlay work and part of the stormwater drainage work was provided through the City General Fund local match and the City's Road Rehabilitation Project fund, consisting of Measure S funds, SB-1 RMRA funds, and Southwest Gas Payment In-Lieu funds as described within Resolution 2022-006. Project funding is further discussed and detailed within the Financial Implications section of this staff report.

Issue and Discussion:
During construction of the storm drainage system, the Contractor encountered unforeseen subsurface utilities that required relocation. In addition to relocation of subsurface utilities, extra work and materials were required to address various site conditions that were not foreseen during the preparation of the Project PS&E bid documents. By far, the extra cost to address relocation of existing subsurface utilities resulted in depleting the approved 10% construction contingency. However, most of the expenses associated with relocating subsurface utilities were reimbursable franchise utility costs.

Some Project construction bid item quantities were less than the amount estimated within the agreement awarded to Lafleur Excavating and some quantities constructed were more than the estimated amount awarded to Lafleur Excavating. Public Works directed the Contractor to perform extra work through Contract Change Order (CCO) where work was not defined within the PS&E bid documents. Three CCOs were approved for Project construction. A final balancing CCO No. 4 is an "Over and Under" change order which will account for increases and decreases to the bid item quantities and final contract line-item expenses.

Although most of the expenses exceeding the approved 10% construction contingency were reimbursed by South Tahoe Public Utilities (STPUD) and Southwest Gas (SW Gas), Public Works is required to return to City Council for ratification of the Project budget increase that exceeds the authorized 10% construction contingency.

Financial Implications:
The CNRA, Prop. 68 grant included $1,150,000 in construction grant funding. All other funding for Project construction expenses was through a General Fund local match, the City Road Rehabilitation Program, or through reimbursement from STPUD and SW Gas. Construction funding sources are listed within Table 1.

Table 1 – Barton Ave & 2nd Street Drainage Project - Construction Funding Sources

Fund Source	Funding Amount
CNRA, Proposition 68, Urban Flooding Protection Grant Program	$1,150,000
Local Match per Resolution 2022-006	$89,341
Road Rehabilitation Program (Measure S, SW Gas In-Lieu Fees, SB1 RMRA)	$976,272
STPUD Reimbursement for Realignment of Water Mains and Water Services	$129,000
Southwest Gas Reimbursement for Gas Service Relocations	$50,000
Total Construction Funds:	**$2,394,613**

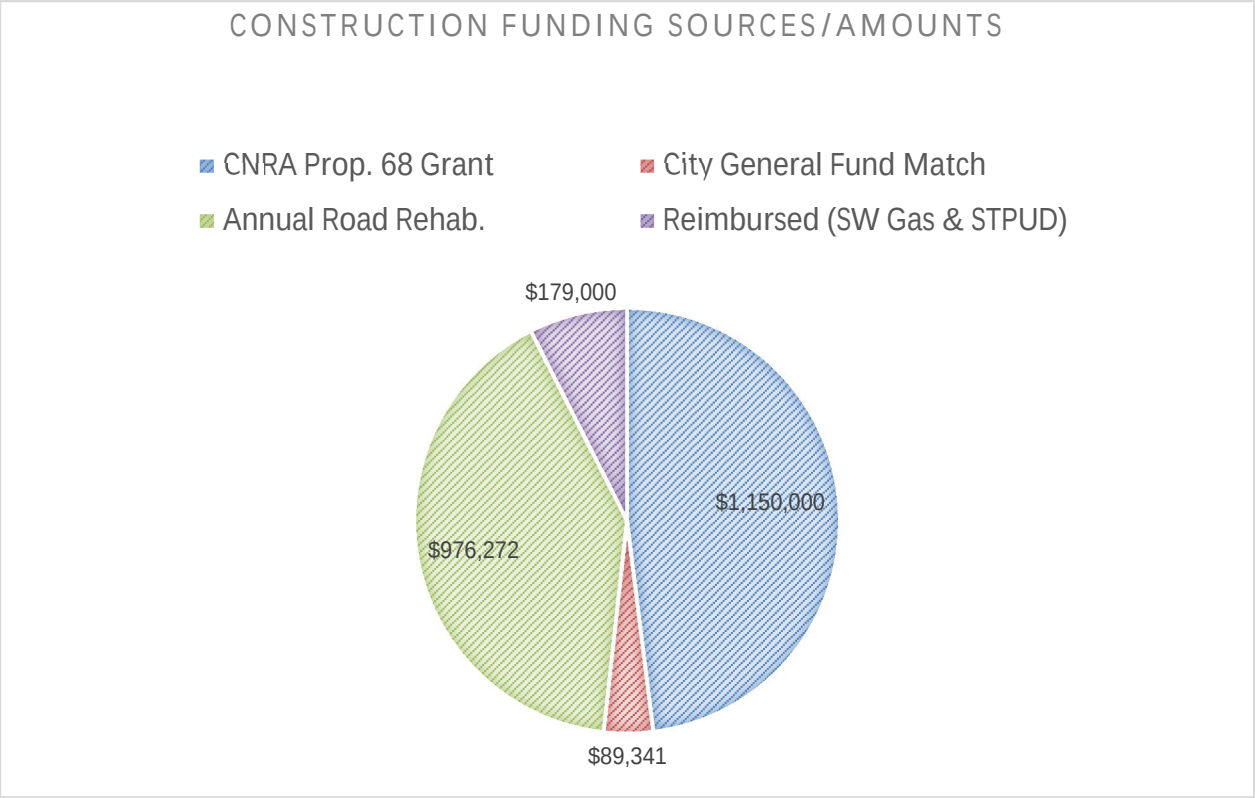


Table 2 - Contract Change Orders (CCO)

CCO No.	CCO Description	CCO Amount
1	STPUD Water Main, Water Service Relocations (Reimbursed to City)	$110,000.00
2	Resetting Utility Box & Extending Driveway Paver Stones	$5,436.00
3	Installation of Yard Drain and Drainage Pipe	$3,175.00
4	Balancing Over and Under Bid of Contract Line-Item Amounts	$109,950.50
	Total CCO Amount:	**$228,561.50**

A 10% construction contingency totaling $199,400 was approved with City Council approval of the $1,993,999.00 LaFleur Excavating contract to construct the Project improvements. Applying the 10% construction contingency to the overall CCO amount summed up as a part of Table 2, Contract Change Orders, leaves a $29,161.50 construction cost overrun.

CCO #4 - Balancing Worksheet is included with this staff report as Attachment-03. Attachment-03 lists all the Barton Ave & 2nd Street Drainage Project bid line-items, estimated quantities, and contract amounts. CCOs #1, #2, and #3 are listed near the bottom-left of the worksheet. The column on the right side of the worksheet, shaded in light blue shows the bid item amount differing from the estimated bid amount (over and under bid line-item amounts). The worksheet cell shaded in bright yellow is the total amount exceeding the approved 10% construction contingency ($29,161.50).

Table 3 – Construction Expenses

Expense Description	Expense Amount
LaFleur Excavating – Contractor Bid Amount	$1,993,999.00
10% Construction Contingency	$199,400.00
Amount Exceeding Construction Contingency	$29,161.50
Total Project Construction Expenses	**$2,222,560.50**

The net contract over-run totaling $29,161.50 is easily absorbed by the utility reimbursements from STPUD and SW Gas. No additional funding is being requested for the CCOs City Council is considering for ratification.

An increase in City Council approved construction contingency, from 10% to 11.5% will authorize sufficient construction contingency budget to contain the $29,161.60 in expenses exceeding the 10% contingency. A revised 11.5% construction contingency provides $229,310 in authorized contingency, which will cover the overall CCO total listed with Table 2, Contract Change Orders ($228,561.50).

Environmental Considerations:
On June 15, 2021, a CEQA Notice of Exemption was filed by the City Planning Manager with the State Clearinghouse as a Class 4, 15304 (minor alteration to land) categorical exemption, State Clearinghouse Number 2021060316. The proposed Project improvements consist of minor alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature scenic trees.

An expired TRPA EIP permit for the Project was renewed by TRPA on March 14, 2023. The California Tahoe Conservancy approved a License Agreement on June 15, 2017 (C-93-17) for the use of three Conservancy parcels for the construction and maintenance of the stormwater treatment basin on Second Street.

Policy Implications:
The Project will assist with the updated City Council Priorities to improve road drainage conditions, to ensure pavement resurfacing investments are long-lasting, prepare for increased flooding risks due to climate change, and build public trust by following through with previous commitments with tangible results.

The Project will address major drainage issues identified in the *Updated Drainage Master Plan* presented to the City Council on April 20, 2021[1] and as shown in the attached Project Location Map and Photos. The proposed improvements will also assist the City in meeting the sediment and nutrient reductions mandated by the Lake Tahoe TMDL. Meeting sediment and nutrient reduction mandates will assist with receiving all housing allocations under TRPA Code section 50.5.2.E.2 (Distribution and Administration of Residential Allocations – TMDL Implementation).

[1] Available on the City Website: https://legistarweb-production.s3.amazonaws.com/uploads/attachment/pdf/888076/04-Updated_Drainage_Master_Plan_Ranking_Criteria_and_Project_List.pdf



Department of
Public Works -
Engineering Division

City of South Lake Tahoe

Potential Proposition 68 Storm Water Projects

0 0.25 0.5 1
Miles

N

Jason Burke
City of SLT
9/26/2019

Document Path: J:\DATA-A-D\City Council\2019 Meetings\10-15-19\Prop 68 Projects.mxd

BARTON AVE & 2ND STREET DRAINAGE PROJECT

Public Works Contract No: 20-301-40054-01 Date: 11/15/2023 Contractor: **LAFLEUR EXCAVATING, INC.**

Payment Request No. Balancing CCO				LaFleur Excavating, Inc.		Total Work Completed to Date		Percent Complete	Payment Retention	Overall Amount Over/Under Bid Amount
Bid Item No.	Bid Item Description	Unit of Measure	Estimated Bid Item Quantity	Bid Unit Price	Bid Item Amount	Quantity	Amount		5%	
1	Mobilization & Demobilization	LS	1	$ 41,565.00	$ 41,565.00	1.00	$ 41,565.00	100%	$ 2,078.25	$ -
2	Traffic Control & Plan	LS	1	$ 5,000.00	$ 5,000.00	1.00	$ 5,000.00	100%	$ 250.00	$ -
3	Construction Surveying and Staking	LS	1	$ 16,170.00	$ 16,170.00	1.00	$ 16,170.00	100%	$ 808.50	$ -
4	Temporary Staging & Construction Access	LS	1	$ 15,000.00	$ 15,000.00	1.00	$ 15,000.00	100%	$ 750.00	$ -
5	Temporary Barriers, Fencing, and Vegetation Protection	LS	1	$ 5,000.00	$ 5,000.00	1.00	$ 5,000.00	100%	$ 250.00	$ -
6	Erosion Prevention, Sediment Controls, Dust Controls, & BMPs	LS	1	$ 10,000.00	$ 10,000.00	1.00	$ 10,000.00	100%	$ 500.00	$ -
7	Pothole Subsurface Utility	EA	15	$ 1,070.00	$ 16,050.00	20.00	$ 21,400.00	133%	$ 1,070.00	$ 5,350.00
8	Clearing and Grubbing	LS	1	$ 15,000.00	$ 15,000.00	1.00	$ 15,000.00	100%	$ 750.00	$ -
9	Infiltration Basin w/Outlet Control Structure	LS	1	$ 57,150.00	$ 57,150.00	1.00	$ 57,150.00	100%	$ 2,857.50	$ -
10	Rock-Lined Channel Outlet (Silver Tip Ave)	LS	1	$ 17,355.00	$ 17,355.00	1.00	$ 17,355.00	100%	$ 867.75	$ -
11	Remove & Replace Concrete HC Ramp and Rolled Curb & Gutter	EA	1	$ 5,500.00	$ 5,500.00	1.00	$ 5,500.00	100%	$ 275.00	$ -
12	AC Pavement Sawcutting/Grinding	LF	4,142	$ 2.00	$ 8,284.00	4,142.00	$ 8,284.00	100%	$ 414.20	$ -
13	AC Pavement Removal	SF	18,601	$ 2.00	$ 37,202.00	18,601.00	$ 37,202.00	100%	$ 1,860.10	$ -
14	Gas Service Adjustment	EA	4	$ 5,000.00	$ 20,000.00	10.00	$ 50,000.00	250%	$ 2,500.00	$ 30,000.00
15	2" Watermain Adjustment	EA	3	$ 3,000.00	$ 9,000.00	2.00	$ 6,000.00	67%	$ 300.00	$ (3,000.00)
16	4" Watermain Adjustment	EA	7	$ 4,000.00	$ 28,000.00	2.00	$ 8,000.00	29%	$ 400.00	$ (20,000.00)
17	8" Watermain Adjustment	EA	2	$ 6,000.00	$ 12,000.00	-	$ -	0%	$ -	$ (12,000.00)
18	1" Water Service Lateral Adjustment	EA	7	$ 2,000.00	$ 14,000.00	5.00	$ 10,000.00	71%	$ 500.00	$ (4,000.00)
19	Sewer Lateral Depth Adjustment	EA	6	$ 2,500.00	$ 15,000.00	1.00	$ 2,500.00	17%	$ 125.00	$ (12,500.00)
20	Reset Existing Water Valve Cans to Grade	EA	4	$ 1,300.00	$ 5,200.00	9.00	$ 11,700.00	225%	$ 585.00	$ 6,500.00
21	Reset Existing SSMH Rims to Grade	EA	10	$ 1,300.00	$ 13,000.00	10.00	$ 13,000.00	100%	$ 650.00	$ -
22	18" Dia. HDPE Storm Drain Pipe	LF	1,127	$ 158.00	$ 178,066.00	1,233.00	$ 194,814.00	109%	$ 9,740.70	$ 16,748.00
23	18" Dia. Cl. V RCP	LF	826	$ 195.00	$ 161,070.00	826.00	$ 161,070.00	100%	$ 8,053.50	$ -
24	2-Sack Slurry Cement (Structural Backfill/Shallow Pipe Installations)	CY	58	$ 700.00	$ 40,600.00	101.00	$ 70,700.00	174%	$ 3,535.00	$ 30,100.00
25	Concrete Flared End Section w/Outlet Rock Protection	EA	3	$ 4,150.00	$ 12,450.00	3.00	$ 12,450.00	100%	$ 622.50	$ -
26	48" Diameter Eccentric Flat-Top Storm Drain Manhole w/24" Frame & Cover		6	$ 8,355.00	$ 50,130.00	6.00	$ 50,130.00	100%	$ 2,506.50	$ -
27	48" Diameter Eccentric Storm Drain Manhole w/24" Frame & Cover	EA	4	$ 8,600.00	$ 34,400.00	4.00	$ 34,400.00	100%	$ 1,720.00	$ -
28	84" x 60" Junction Structure	EA	1	$ 18,700.00	$ 18,700.00	1.00	$ 18,700.00	100%	$ 935.00	$ -
29	Type 1 Drainage Inlet w/Sediment Trap	EA	1	$ 9,085.00	$ 9,085.00	1.00	$ 9,085.00	100%	$ 454.25	$ -
30	Type 2 Drainage Inlet w/Closed Bottom	EA	3	$ 9,075.00	$ 27,225.00	3.00	$ 27,225.00	100%	$ 1,361.25	$ -
31	Type 3 Drainage Inlet w/Closed Bottom	EA	1	$ 8,535.00	$ 8,535.00	1.00	$ 8,535.00	100%	$ 426.75	$ -
32	Type 3 Drainage Inlet w/Sediment Trap	EA	4	$ 9,085.00	$ 36,340.00	4.00	$ 36,340.00	100%	$ 1,817.00	$ -
33	Rolled Concrete Curb & Gutter	LF	3,263	$ 50.00	$ 163,150.00	3,330.00	$ 166,500.00	102%	$ 8,325.00	$ 3,350.00
34	Concrete Curb Transition (@ Curb End)	LF	45	$ 132.00	$ 5,940.00	45.00	$ 5,940.00	100%	$ 297.00	$ -
35	Concrete Valley/V-Gutter	LF	183	$ 40.00	$ 7,320.00	288.00	$ 11,520.00	157%	$ 576.00	$ 4,200.00
36	Roadside Shoulder Permeable Parking Area	SF	1,000	$ 45.00	$ 45,000.00	1,000.00	$ 45,000.00	100%	$ 2,250.00	$ -
37	Concrete Paver Band	LF	140	$ 32.00	$ 4,480.00	140.00	$ 4,480.00	100%	$ 224.00	$ -
38	2" AC/6" AB Driveway Transition	SF	2,555	$ 16.00	$ 40,880.00	3,476.00	$ 55,616.00	136%	$ 2,780.80	$ 14,736.00
39	2" Min. AC/6" AB Tie-In Pavement	SF	18,601	$ 8.00	$ 148,808.00	27,807.00	$ 222,456.00	149%	$ 11,122.80	$ 73,648.00
40	1" AC Pavement Milling & 2" HMA Overlaying	SY	10,820	$ 42.00	$ 454,440.00	10,820.00	$ 454,440.00	100%	$ 22,722.00	$ -
41	Revegetation Treatments	SF	13,356	$ 1.50	$ 20,034.00	21,235.00	$ 31,852.50	159%	$ 1,592.63	$ 11,818.50
42	Remove & Replace Buck Pole Fencing & Install Two 10-Foot-Wide Steel Access Gates	LF	145	$ 166.00	$ 24,070.00	145.00	$ 24,070.00	100%	$ 1,203.50	$ -
43	Rock Fracture and Removal (Contingency Item as Directed or Authorized)	CY	20	$ 2,000.00	$ 40,000.00	-	$ -	0%	$ -	$ (40,000.00)
44	Tree Removal - (14" to 18" Base Diameter)	EA	8	$ 3,000.00	$ 24,000.00	8.00	$ 24,000.00	100%	$ 1,200.00	$ -
45	Tree Removal - (19" to 24" Base Diameter)	EA	1	$ 4,000.00	$ 4,000.00	1.00	$ 4,000.00	100%	$ 200.00	$ -
46	Tree Removal - (25" to 35" Base Diameter)	EA	3	$ 5,000.00	$ 15,000.00	3.00	$ 15,000.00	100%	$ 750.00	$ -
47	2-Year Maintenance of Revegetation	LS	1	$ 40,000.00	$ 40,000.00	1.00	$ 40,000.00	100%	$ 2,000.00	$ -
48	Temporary Full Coverage Rotary Sprinkler Irrigation at 2nd Street Basin	LS	1	$ 8,000.00	$ 8,000.00	1.00	$ 8,000.00	100%	$ 400.00	$ -
49	Remove 12" Storm Drain Pipe	LF	53	$ 100.00	$ 5,300.00	103.00	$ 10,300.00	194%	$ 515.00	$ 5,000.00
50	Project Sign	LS	1	$ 1,500.00	$ 1,500.00	1.00	$ 1,500.00	100%	$ 75.00	$ -
					$ 1,993,999.00		**$ 2,103,949.50**		**$ 105,197.48**	**$ 109,950.50**

CHANGE ORDER WORK										
CCO No.	CCO Description	Unit	Quantity	Unit Price	Amount	Quantity	Amount		5% Retention	Over/Under
1	8-inch Water Main Adjustment (Winnemucca & SilverTip)	LS	1.00	$ 110,000.00	$ 110,000.00	1.00	$ 110,000.00	100%	$ 5,500.00	$ -
2	Paver Stone Driveway - 2272 Silver Tip Ave	LS	1.00	$ 5,436.00	$ 5,436.00	1.00	$ 5,436.00	100%	$ 271.80	$ -
3	Yard Drain Inlet - 1070 Winnemucca Ave	LS	1.00	$ 3,175.00	$ 3,175.00	1.00	$ 3,175.00	100%	$ 158.75	$ -
	CCO Totals:				**$ 118,611.00**	**CCO Total:**	**$ 118,611.00**	**CCO Retent.:**	**$ 5,930.55**	$ -

CCOs 1, 2, & 3 plus Contract Over & Under Amount:	$ 2,112,610.00		**Total Retent.:** **$ 111,128.03**
Total Final Contract Amount:	**$ 2,222,560.50**		
Construction Contingency @ 5%	$ 111,128.03		**Total Amount Due To Date:** $ 2,222,560.50
Total Amount Due w./out Const. Contingency:	$ 2,111,432.48		Total Amount Paid To Date: $ 2,111,432.48
Amount exceeding the contract award:	$ 228,561.50	Sum of Over/Under & CCOs	**Total Retention:** **$ 111,128.03**
Original contract award contingency at 10%:	$ 199,400.00		Retention Release 60 days
Amount exceeding 10% contingency:	**$ 29,161.50**		Following Notice of Completion

AGREEMENT

DOCUMENT 00500 - AGREEMENT

City of South Lake Tahoe

DEPARTMENT OF PUBLIC WORKS
AGREEMENT
for

BARTON AVE & 2ND STREET DRAINAGE PROJECT

PUBLIC WORKS CONTRACT NO. 20-30140054-01

INFORMAL BID No. 23-30140054-BN1

THIS AGREEMENT is made and entered into this 14TH day of JUNE, 2023, by and between the City of South Lake Tahoe, a political subdivision of the State of California, herein designated "City", and LAFLEUR EXCAVATING, INC., herein designated as "Contractor."

WITNESSETH, that the City and the Contractor, in consideration of the mutual covenants hereafter set forth, agree as follows:

ARTICLE 1 - THE WORK

Contractor agrees to furnish all labor, tools, equipment, facilities, materials, transportation and services necessary to perform and complete, in a good and workmanlike manner, the **BARTON AVE & 2ND STREET DRAINAGE PROJECT** as required pursuant to the Contract Documents.

ARTICLE 2 - COMMENCEMENT AND COMPLETION

The Work to be performed under this Agreement shall commence at the time as specified in the Notice to Proceed, and the Contractor shall diligently undertake the performance of the obligations as set forth in the Contract Documents to achieve Final Completion of the Work (as defined at Section 9.9 Special Provisions) on or before September 1, 2023 (the "Contract Time"). ***No grading or excavation or other land disturbance will be allowed between October 15th and May 1st; all Work shall be performed after the issuance of the Notice to Proceed, and Final Completion achieved within the contract time as set forth in these Contract Documents.***

The City and the Contractor recognize that time is of the essence of this Agreement and that the City will suffer financial loss if the Work is not completed within the time specified herein, plus any extensions thereof allowed in accordance with the Contract Documents. The City and Contractor also recognize the delays, expense, and difficulties involved in proving the actual loss suffered by the City if the Work is not completed within the Contract Time. Accordingly, instead of requiring any such proof, and pursuant to the Contract Documents, the City and the Contractor agree that as liquidated damages (but not as a penalty), the Contractor shall pay the City the sum of $1,000 for each calendar day beyond August 18, 2023, and continuing until Bidder achieves Milestone #1, Substantial Completion (per Document 00100, Article 1.04.A.1), and $500 for each calendar day beyond September 1, 2023, that portion of the Contract Time within which the Bidder is required to achieve Milestone #2, Final Completion (per Document 00100, Article 1.04.A.3).

In accordance with the Contract Documents, including, without limitation Document 00400.4.2 ("Bid Proposal"), the daily amount that Contractor may charge to the City for all delay costs, direct and indirect (and inclusive of all expenses and damages, including, without limitation, jobsite and home office overhead costs and extended general conditions) applicable to the first sixty (60) calendar days of Compensable Delay, if any, is [INSERT FROM BID PROPOSAL], the amount set forth by Contractor in Document 00400.4.2 ("Bid Proposal"). This sum shall represent the exclusive and sole amount (i.e., payment in full for any and all direct and indirect delay costs) that Contractor, on behalf of itself and subcontractors and suppliers, of every tier, shall receive for any and all Compensable Delay(s) during the first sixty (60) calendar days of actual, Compensable Delay at the Project. Delay costs that may arise from Compensable Delay, if any, beyond the first sixty (60) calendar days of a Compensable Delay, if allowable, shall thereafter be governed by, and subject to, the applicable provisions of Sections 8 and 9 of the Standard Specifications, as modified by the Special Provisions, and the Contract Documents.

ARTICLE 3 - CONTRACT PRICE

The City agrees to pay, and the Contractor agrees to accept, in current funds for the performance of the Work pursuant to the Contract Documents, the Contract Sum for the completion of the Work in accordance with the Contract Documents as follows:

Item No.	Item Description	Unit of Measure	Estimated Quantity	Unit Price	Item Total
	THE CONTRACT SUM TO BE DETERMINED IN ACCORDANCE WITH THE BID PROPOPSAL AND CONTRACT DOCUMENTS.				

TOTAL CONTRACT SUM: **$**_____

For the Total Contract Sum of "SEE ATTACHED"

_____ dollars and _____ cents.

4.1 BASE BID - SCHEDULE (ADDENDUM NO. 2)

Bid Item No.	Bid Item Description	Unit of Measure	Estimated Bid Item Quantity	Estimated Bid Item Unit Price	Estimated Bid Item Amount
1	Mobilization & Demobilization	LS	1		41,565.00
2	Traffic Control & Plan	LS	1		5,000.00
3	Construction Surveying and Staking	LS	1		16,170.00
4	Temporary Staging and Construction Access	LS	1		15,000.00
5	Temporary Barriers, Fencing, and Vegetation Protection	LS	1		5,000.00
6	Erosion Prevention, Sediment Controls, Dust Controls, & BMPs	LS	1		10,000.00
7	Pothole Subsurface Utility	EA	15	1,070.00	16,050.00
8	Clearing and Grubbing	LS	1		15,000.00
9	Infiltration Basin w/Outlet Control Structure	LS	1		57,150.00
10	Rock-Lined Channel Outlet (Silver Tip Ave)	LS	1		17,355.00
11	Remove & Replace Concrete HC Ramp and Rolled Curb & Gutter	EA	1	5,500.00	5,500.00
12	AC Pavement Sawcutting/Grinding	LF	4,142	2.00	8,284.00
13	AC Pavement Removal	SF	18,601	2.00	37,202.00
14	Gas Service Adjustment	EA	4	5,000.00	20,000.00
15	2" Watermain Adjustment	EA	3	3,000.00	9,000.00
16	4" Watermain Adjustment	EA	7	4,000.00	28,000.00
17	8" Watermain Adjustment	EA	2	6,000.00	12,000.00
18	1" Water Service Lateral Adjustment	EA	7	2,000.00	14,000.00
19	Sewer Lateral Depth Adjustment	EA	6	2,500.00	15,000.00
20	Reset Existing Water Valve Cans to Grade	EA	4	1,300.00	5,200.00
21	Reset Existing SSMH Rims to Grade	EA	10	1,300.00	13,000.00
22	18" Dia. HDPE Storm Drain Pipe	LF	1,127	159.00	178,066.00

Bid Item No.	Bid Item Description	Unit of Measure	Estimated Bid Item Quantity	Estimated Bid Item Unit Price	Estimated Bid Item Amount
23	18" Dia. Cl. V RCP	LF	826	195.00	161,070.00
24	2-Sack Slurry Cement (Structural Backfill/Shallow Pipe Installations)	CY	58	700.00	40,600.00
25	Concrete Flared End Section w/Outlet Rock Protection	EA	3	4,150.00	12,450.00
26	48" Diameter Eccentric Flat-Top Storm Drain Manhole w/24" Frame & Cover	EA	6	8,355.00	50,130.00
27	48" Diameter Eccentric Storm Drain Manhole w/24" Frame & Cover	EA	4	8,600.00	34,400.00
28	84" x 60" Junction Structure	EA	1	18,700.00	18,700.00
29	Type 1 Drainage Inlet w/Sediment Trap	EA	1	9,085.00	9,085.00
30	Type 2 Drainage Inlet w/Closed Bottom	EA	3	9,075.00	27,225.00
31	Type 3 Drainage Inlet w/Closed Bottom	EA	1	8,535.00	8,535.00
32	Type 3 Drainage Inlet w/Sediment Trap	EA	4	9,085.00	36,340.00
33	Rolled Concrete Curb & Gutter	LF	3,263	50.00	163,150.00
34	Concrete Curb Transition (@ Curb End)	LF	45	132.00	5,940.00
35	Concrete Valley/V-Gutter	LF	183	40.00	7,320.00
36	Roadside Shoulder Permeable Parking Area	SF	1,000	45.00	45,000.00
37	Concrete Paver Band	LF	140	32.00	4,480.00
38	2" AC/6" AB Driveway Transition	SF	2,555	16.00	40,880.00
39	2" Min. AC/6" AB Tie-In Pavement	SF	18,601	8.00	148,808.00
40	1" AC Pavement Milling & 2" HMA Overlaying	SY	10,820	42.00	454,440.00
41	Revegetation Treatments	SF	13,356	1.50	20,034.00
42	Remove & Replace Buck Pole Fencing & Install Two 10-Foot-Wide Steel Access Gates	LF	145	166.00	24,070.00
43	Rock Fracture and Removal (Contingency Item as Directed or Authorized)	CY	20	2,000.00	40,000.00
44	Tree Removal - (14" to 18" Base Diameter)	EA	8	3,000.00	24,000.00

Bid Item No.	Bid Item Description	Unit of Measure	Estimated Bid Item Quantity	Estimated Bid Item Unit Price	Estimated Bid Item Amount
45	Tree Removal - (19" to 24" Base Diameter)	EA	1	4,000.00	4,000.00
46	Tree Removal - (25" to 35" Base Diameter)	EA	3	5,000.00	15,000.00
47	2-Year Maintenance of Revegetation	LS	1		40,000.00
48	Temporary Full Coverage Rotary Sprinkler Irrigation at 2nd Street Basin	LS	1		8,000.00
49	Remove 12" Storm Drain Pipe	LF	53	100.00	5,300.00
50	Project Sign	LS	1		1,500.00

BASE BID SCHEDULE PRICE (items 1 through 50 in figures):

$ 1,993,999.00

BASE BID SCHEDULE PRICE (in words) ONE MILLION NINE HUNDRED NINTY THREE THOUSAND NINE HUNDRED NINTY NINE DOLLARS AND ZERO CENTS.

The amount of each of the above Bid line items must be filled in and completed in ink.

Bid prices shall include everything necessary for the completion of the Work stipulated in the Contract Documents, including but not limited to providing the materials, equipment, tools, plant and other facilities, and the management, superintendence, labor and services. Bid prices shall include all federal, state and local taxes.

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 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" multiplied by the "Estimated Quantity" for the item.

In case of discrepancy between the unit price and the total set forth for a unit basis item, the unit price shall prevail, except that if the amount set forth as a unit price is unreadable or otherwise unclear, or is omitted, or is the same as the amount as the entry in the item total column, then the amount set forth in the item total column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the unit price.

If both the unit price and the item total are unreadable or otherwise unclear, or are omitted, the Bid may be deemed irregular. Likewise, if the item total for a lump sum item is unreadable or otherwise unclear, or is omitted, the Bid may be deemed irregular unless the Project being bid has only a single item and a clear, readable total bid is provided.

In case of discrepancy between the "Base Bid Schedule Price" listed and the actual sum of all item total prices, the individual item totals will prevail and the "Base Bid Schedule Price" will be revised to reflect the appropriate total based on the unit prices.

Symbols such as commas and dollar signs will be ignored and have no mathematical significance in establishing any unit price or item total or lump sums. Written unit prices, item totals and lump sums will be interpreted according to the number of digits and, if applicable, decimal placement. Cents symbols also have no significance in establishing any unit price or item total since all figures are assumed to be expressed in dollars and/or decimal fractions of a dollar. Bids on lump sum items shall be item totals only; if any unit price for a lump sum item is included in a bid and it differs from the item total, the item total shall prevail.

The foregoing provisions for the resolution of specific irregularities cannot be so comprehensive as to cover every omission, inconsistency, error, or other irregularity which may occur in a Bid. Any situation not specifically provided for will be determined in the discretion of the City, and that discretion will be exercised in the manner deemed by the City to best protect the public interest in the prompt and economical completion of the Work. The decision of the City respecting the amount of a Bid, or the existence or treatment of an irregularity in a Bid, shall be final.

4.2 DAILY RATE OF COMPENSATION FOR COMPENSABLE DELAY

Each and every Bidder, to have its Bid deemed responsive, shall provide below the daily rate of compensation for any Compensable Delay (as defined at Section 9.10 of the Special Provisions) caused by the City, at any time, during the performance of the Work. The daily rate of compensation (as required to be extended herein), which shall be included in the Total Base Bid Price, shall represent the amount that Contractor will charge the City for all direct and indirect delay costs which may be incurred by Contractor, on behalf of itself and all subcontractors and suppliers, of every tier, should there be a Compensable Delay.

The daily rate to be charged to the City shall be listed in the blanks as required, below, and shall be applicable to each of the first sixty (60) calendar days of Compensable Delay (beyond the Contract Time) that is not concurrent with any Contractor-caused delay, and shall represent the exclusive and sole amount (*i.e.*, constitute payment in full) that Contractor, on behalf of itself and subcontractors and suppliers, of every tier, shall receive for any and all direct and indirect delay costs.

Bidders are advised that the amount filled in the first blank, below, is the daily rate to be paid by City for each of the first sixty (60) calendar days of Compensable Delay. That amount shall be multiplied by 60 to yield an amount which liquidates the City-caused delay damages, in its entirety, during the first sixty (60) calendar days of Compensable Delay, and this amount shall be filled in the second blank, below. The latter total, which Bidder must add to the Base Bid Schedule Price (and/or all other Bid amounts as may be required herein) to determine the Total Base Bid Price, will be used not only for bid comparison purposes to determine the lowest responsive, responsible Bidder, but also to determine the daily rate of direct and indirect delay costs to which Bidder will be entitled during the first sixty (60) days of any Compensable Delay (should the City award the Agreement to Bidder).

By including the daily rate of delay damages in this Bid Proposal, the City is not representing that it intends or expects to have the Project delayed, whether for sixty (60) calendar days or otherwise, but rather that the City wishes to quantify the amount it would be obligated to pay should such a Compensable Delay event(s) arise. The City will only pay the daily rate of compensation for the actual number of days of Compensable Delay, if any, in accordance with the Contract Documents; the actual number of days of Compensable Delay, if any, may be greater or lesser than the 60 day "multiplier" shown below. With respect to Compensable Delays beyond sixty (60) calendar days, the amount of direct and indirect delay costs, if any, to which Bidder may be entitled (if authorized under the Contract Documents) shall be determined in accordance with the Contract Documents.

In order for the Bid to be considered responsive, Bidder must submit the required Daily Rate of Compensation for Compensable Delay, extended as required hereunder. The failure of Bidder to do so shall result in the Bid being rejected as non-responsive.

(1) <u>DAILY RATE OF COMPENSATION FOR COMPENSABLE DELAY FOR CONTRACTOR AND ALL SUBCONTRACTORS/SUPPLIERS</u> (include the amount in words as well as numbers):

$ 100.00 **per calendar day (amount).**

ONE HUNDRED DOLLARS AND ZERO CENTS

(words).

(2) <u>DAILY RATE OF COMPENSATION FOR COMPENSABLE DELAY FOR CONTRACTOR AND ALL SUBCONTRACTORS/SUPPLIERS MULTIPLIED BY 60</u> (include the amount in words as well as numbers):

Daily Amount (above): $ 100.00 **x 60 calendar days = $** 6,000.00 **(amount)**

SIX THOUSAND DOLLARS AND ZERO CENTS

(words).

In case of discrepancy between the amount stated for "Daily Rate of Compensation for Compensable Delay for Contractor and All Subcontractors/Suppliers" and the extension of that amount as stated above for the "Daily Rate of Compensation for Compensable Delay for Contractor and All Subcontractors/Suppliers Multiplied by 60", the "Daily Rate of Compensation for Compensable Delay for Contractor and All Subcontractors/Suppliers" shall prevail and the "Daily Rate of Compensation for Compensable Delay for Contractor and All Subcontractors/Suppliers Multiplied by 60" will be corrected accordingly to reflect the appropriate total based on the stated daily rate.

4.3 TOTAL BASE BID

The Total Base Bid shall be determined by adding the following amounts as set forth in Sections 4.1 and 4.2(2): **"Base Bid Schedule Price" (Section 4.1)** plus **"Daily Rate of Compensation for Compensable Delay for Contractor and All Subcontractors/Suppliers Multiplied by 60" (Section 4.2(2))** = **"Total Base Bid".**

TOTAL BASE BID PRICE:

$ 1,999,999.00 **(amount)**

TOTAL BASE BID PRICE (in words): ONE MILLION NINE HUNDRED THOUSAND NINE HUNDRED NINTY NINE DOLLARS AND ZERO CENTS.

In the event the addition of the "Base Bid Schedule Price" and "Daily Rate of Compensation for Compensable Delay for Contractor and All Subcontractors/Suppliers Multiplied by 60" is incorrect such that the Total Base Bid Price does not equal the product of those two Bid components, the City will correct the Total Base Bid Price accordingly and the corrected addition will govern.

The City shall compare the amounts of the Total Base Bid Prices of all responsible bidders submitting responsive Bids, and the City shall award the Agreement, if an award is made, to the lowest responsible bidder in accordance with California Public Contract Code section 20162. The Contract Sum for the Agreement, if awarded, between the City and Contractor shall be for the price indicated in the Base Bid Schedule (Article 4.1).

The City reserves all rights to reject this Bid, or all Bids, and to waive any and/or all minor irregularities, all within the City's sole discretion.

5.0 BID ALTERNATE ITEMS (Not Used for This Bid)

6.0 COMPLETION

In accordance with the Contract Documents, the undersigned Bidder agrees to plan the Work and to prosecute it with such diligence that said Work shall be commenced within **ten (10) calendar days** from the date that commencement of the Work is authorized pursuant to the Notice to Proceed and shall be completed within the Contract completion time(s) as set forth in the Contract Documents. Furthermore, the undersigned Bidder accepts the provisions of Section 8.3.2 of the Special Provisions with respect to

The above Total Contract Sum includes all allowances, if any, provided for in the Contract Documents.

Compensation for Unit Price Items shall be based upon the unit prices stated in the above schedule multiplied by the actual quantities or units of work and materials performed or furnished. Unit prices paid by the City may change depending on actual quantities or units of work completed in accordance with the Contract Documents.

ARTICLE 4 - PREVAILING WAGES

Pursuant to the provisions of California Labor Code, Sections 1770 to 1780, inclusive thereof, the Contractor, and any subcontractor, of any tier, shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations.

In compliance with Senate Bill 854 and the California Labor Code, this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contractors must submit their certified payroll records directly to the Division of Labor Standards Enforcement Compliance Monitoring Unit through the electronic certified payroll reporting (eCPR) system, as well as to the City.

Pursuant to the provisions of California Labor Code Section 1773.2, the Contractor is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the Work is to be performed for each craft, classification, or type of worker required to execute the Contract, are on file in the City's office. The Contractor agrees that not less than said prevailing rates shall be paid to workers employed on this public works contract as required by Labor Code Section 1774. These rate determinations are found on the State of California Department of Industrial Relations' website at: http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

ARTICLE 5 - CONTRACT DOCUMENTS

The Agreement includes and incorporates by reference the Contract Documents for the Project, which consists of the following documents:

(a) Notice to Bidders (Document 00100);

(b) Instructions to Bidders (Document 00200);

(c) Bid Proposal (Document 00400);

(d) Bidder's Bond (Document 00410);

(e) Designation of Subcontractors (Document 00420);

(f) Verification of Contractor and Subcontractor DIR Registration (Document 00423)

(g) Self-Performance Declaration (Document 00425);

(h) Debarment and Suspension Certifications (Document 00430);

(i) Non-Collusion Declaration (Document 00432);

(j) Worker's Compensation Certification (Document 00435);

(k) Business and Professions Code Sections 7028.15 and 7031 Statement (Document 00440);

(l) Bidder's Statement of Financial Responsibility, Technical Ability and Experience (Document 00450);

(m) Blank

(n) Agreement (Document 00500);

(o) Payment Bond Form (Document 00610);

(p) Performance Bond Form (Document 00620);

(q) Sample Escrow Agreement for Security Deposits In Lieu of Retention (Document 00630);

(r) Warranty/Guaranty Form (Document 00635);

(s) Acknowledgment of City Code (Document 00640);

(t) Bid Document Certification (Document 00650);

(u) The Standard Specifications of the State of California, Department of Transportation, dated 2018; the Standard Plans of the State of California, Department of Transportation, dated 2018, and the South Lake Tahoe Public Improvement and Engineering Standards;

(v) Special Provisions (which incorporate by reference, and, as specified, modify the Standard Specifications of the State of California, Department of Transportation, dated 2018; the Standard Plans of the State of California, Department of Transportation, dated 2018, and the South Lake Tahoe Public Improvement and Engineering Standards) (Document 00700);

(w) Supplemental Conditions (Document 00800), if any;

(x) General Requirements, if any;

(y) Construction Progress Schedule;

(z) Technical Specifications;

(aa) Contract Drawings;

(bb) Addenda (numbers 1 to 2, inclusive; and

(cc) Permits from other agencies as may be required by law.

(dd) All Documents referenced as constituting the "Bid Documents" pursuant to Section 1.3 ("Bid Documents") of the Special Provisions.

Exhibits to this Agreement are enumerated as follows:

- Exhibit A: Accepted Contractor's Bid,
- Exhibit B: Payment and Performance Bonds; and
- Exhibit C: Insurance Certificates and Endorsements.

ARTICLE 6 - WORKERS' COMPENSATION

Contractor shall take out and maintain during the life of the Agreement, adequate and sufficient workers' compensation insurance for all Contractor's employees employed at the site of improvements, and, if any Work is sublet, Contractor shall require each subcontractor similarly to provide workers' compensation insurance for all of the latter's employees, unless such employees are covered by the protection afforded by Contractor. If any class of employees engaged in Work under this contract at the site of the Project is not protected under workers' compensation law, Contractor shall provide, and shall cause each subcontractor to provide, adequate insurance for the protection of employees not otherwise protected. Contractor shall indemnify the City and the California Department of Transportation for any damage resulting to it from failure of either Contractor or any subcontractor to take out or maintain such insurance.

By its signature upon this Agreement, Contractor certifies that it has carefully reviewed and is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for worker's compensation, or to undertake self-insurance in accordance with the provisions of the labor Code. Contractor, as a condition precedent to the commencement of its Work pursuant to the Agreement, shall comply with such provisions.

ARTICLE 7 - INDEMNITY AND INSURANCE

To the fullest extent permitted by law, including, without limitation, Civil Code section 2782, *et seq.*, and in strict accordance with the Contract Documents, Contractor shall defend, indemnify, and hold harmless the City, its officials, officers, City Council members, employees, agent, the California Department of Transportation, the Project Manager, the Architect/Engineer, the Project consultants, and their respective principals, officers and employees, and each of them, of and from any and all claims, demands, suits, causes of action, damages, costs, expenses, attorneys' fees, losses, or liability, in law or in equity, of every kind and nature whatsoever related to, arising out of, or in connection with, Contractor's operations to be performed under this Agreement, and as otherwise set forth in Contract Documents, including, without limitation, Section 7-1.05A of the Standard Specifications, as modified by Section 7.11 of the Special Provisions. The obligations of defense and indemnity set forth in this Article, and in the Contract Documents, shall not be limited by any insurance requirements or obligations pursuant to the Contract Documents, and shall not extend to the sole negligence or willful misconduct of the City, or the active negligence of the City. The obligations arising from this Article shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity (including all duties to defend), which would otherwise exist as to a party, or person described elsewhere in the Contract Documents.

Contractor shall maintain the insurance coverage described in Section 7-1.06 of the Standard Specifications, as modified by Section 7.12 of the Special Provisions, throughout the performance of the Agreement, including any maintenance, warranty and/or guaranty periods. This Agreement shall not be operative until evidence of such insurance has been provided to, and approved by, the City as to form, amount, and carrier. Contractor shall not allow any subcontractor to commence Work at the Project until subcontractor provides evidence to Contractor and City that subcontractor has obtained insurance acceptable to the City.

ARTICLE 8 - NOTICES

Whenever any provision of the Contract Documents requires the giving of written notice, it shall be deemed to have been validly given if delivered in person to the individual for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the address listed below:

Notices required to be given to City:
Public Works Director/City Engineer
City of South Lake Tahoe
1740 D Street
South Lake Tahoe, CA 96150-6251

Notices required to be given to Contractor:
DAMON LAFLEUR, HAND DELIVER

LAFLEUR EXCAVATING, INC
1588 BEDELL CT. UNIT B
ROSEVILLE, CA 95747, MAILED

Notices required to be given to any surety(ies):
MELANIE DAVIS
PO BOX 19150 SPOKANE, WA 99219

10-5 ARTICLE 9 - MISCELLANEOUS

9.1 Terms. Terms used in this Agreement will have the meanings indicated in the Contract Documents.

9.2 Assignment. No assignment by a party hereto of any rights under or interests in the Agreement will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.3 Successors and Assigns. City and Contractor each binds itself, its partners, successors, assign, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.4 Severability. Any provision or part of the Contract Documents held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon City and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

9.5 South Lake Tahoe City Code. Contractor acknowledges that all pertinent provisions within the South Lake Tahoe City Code are incorporated by reference as though set forth in full herein, and, further, the failure of Contractor or any subcontractor, of any tier, to comply with any of its/their obligations under the Contract Documents, or the requirements of the South Lake Tahoe City Code, or any other applicable law, code, statute, or regulation, shall be deemed a material breach of the Agreement.

9.6 Third Party Beneficiary. Contractor expressly acknowledges the City's status as a third party beneficiary solely with respect to the performance to be rendered under each subcontract, of any tier, upon the Project, and, as a result, Contractor acknowledges that City possesses, *inter alia*, the rights enumerated within the South Lake Tahoe City Code as to the enforcement of obligations under subcontracts of any tier.

9.7 Regulatory Requirements. Contractor acknowledges that the Project is subject to requirements and regulations issued on behalf of various governmental and/or regulatory bodies, including, without limitation, the Lahontan Regional Water Quality Control Board and the Tahoe Regional Planning Agency, among others. Contractor agrees to fully and promptly comply with any and all requirements and regulations issued on behalf of such entities.

9.8 Governing Law. This Agreement and the Contract Documents shall be deemed to have been entered into in the County of El Dorado, State of California, and governed by California law. By entering into this Agreement, the Contractor consents and submits to the jurisdiction of Courts of the State of California, County of El Dorado, over any action of law, suit in equity, and/or other proceeding that may arise out of the Contract Documents.

IN WITNESS HEREOF, the said City of South Lake Tahoe, State of California, has caused this Agreement to be executed by its Mayor in its behalf, and the said Contractor has signed this Agreement the day and year first above written.

CITY OF SOUTH LAKE TAHOE

By _____
Mayor, City of South Lake Tahoe,
State of California

Contractor: _____

By DAMON LAFLEUR

Title PRESIDENT / OWNER

Business License No. 959080

ATTEST:

By _____ 6/15/2023
City Clerk
City of South Lake Tahoe

APPROVED AS TO FORM:

By _____
City Attorney
City of South Lake Tahoe

END OF DOCUMENT 00500

CITY OF SOUTH LAKE TAHOE, CALIFORNIA

BUSINESS AND PROFESSIONS TAX CERTIFICATE

THIS CERTIFICATE MUST BE POSTED IN A CONSPICUOUS PLACE

The granting of this certificate does not mean approval of the operation of your business in violation of any provisions of the City Code or any State Law.

NON-TRANSFERABLE

ISSUED TO:

LAFLEUR EXCAVATING INC
LAFLEUR EXCAVATING INC
158 BEDELL CT UNIT B

TAX NO: 013272

EXPIRES: 06/30/2023

CONTRACTOR #959080 A

Detach at perforations and display in a conspicuous place.

LAFLDAM-01 MGUZMAN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 6/2/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0K07568
Cumbre Insurance Services, LLC
4065 Mother Lode Drive
Suite A
Shingle Springs, CA 95682

CONTACT NAME: Veronica Sanchez
PHONE (A/C, No, Ext): (760) 347-5552 FAX (A/C, No):
E-MAIL ADDRESS: sanchezv@cumbreins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : California Automobile Insurance Company	38342
INSURER B : Everest Premier Insurance Company	16045
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Damon LaFleur DBA: LaFleur Excavating, Inc.
7045 Santa Juanita Avenue
Orangevale, CA 95662

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
A	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	ANY AUTO			BA040000075278	8/5/2022	8/5/2023	BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY X SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N			7600023461221	7/15/2022	7/15/2023	X PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Verification of insurance.

CERTIFICATE HOLDER

City of Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Veronica Sanchez

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/01/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Always Sierra Insurance Services
2338 Gold River Road, Suite B
Rancho Cordova CA 95670

CONTACT NAME: Bruce Nelson
PHONE (A/C, No, Ext): (916) 476-3663 FAX (A/C, No):
E-MAIL ADDRESS: bruce@alwayssierrainsurance.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : KINSALE INSURANCE COMPANY	
INSURER B : KINSALE INSURANCE COMPANY	
INSURER C : EVANSTON INS CO	35378
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
La Fleur Excavating
Po Box 2391
Orangevale CA 95662

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR [X] GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:	X		0100193101-1	06/01/2023	06/01/2024	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 1,000,000 $ 100,000 $ 2,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$ $ $ $ $
B	[ ] UMBRELLA LIAB [X] OCCUR [X] EXCESS LIAB [ ] CLAIMS-MADE DED RETENTION $	X		0100242822-0	6/1/2023	6/1/2024	EACH OCCURRENCE AGGREGATE $	$ 5,000,000 $ 5,000,000 $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					[ ] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
C	Pollution Liability			CPLMOL117511	06/01/2023	06/01/2024	Each Act Error or Omission Gen. Aggregate	$1,000,000 $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Additional Insured: City of South Lake Tahoe 1740 D Street South Lake Tahoe, CA 96150

CERTIFICATE HOLDER
City of South Lake Tahoe
1740 D Street
South Lake Tahoe, CA 96150

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/01/2023

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PRODUCER	CONTACT NAME: Bruce Nelson
Always Sierra Insurance Services 2338 Gold River Road, Suite B Rancho Cordova CA 95670	PHONE (A/C, No, Ext): (916) 476-3663 FAX (A/C, No): E-MAIL ADDRESS: bruce@alwayssierrainsurance.com
INSURED La Fleur Excavating Po Box 2391 Orangevale CA 95662	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : KINSALE INSURANCE COMPANY INSURER B : KINSALE INSURANCE COMPANY INSURER C : EVANSTON INS CO — 35378 INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR [ ] X GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:	X		0100193101-1	06/01/2023	06/01/2024	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG [ ]	$ 1,000,000 $ 100,000 $ 2,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY [ ]						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) [ ]	$ $ $ $ $
B	[ ] UMBRELLA LIAB [X] OCCUR [X] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $	X		0100242822-0	6/1/2023	6/1/2024	EACH OCCURRENCE AGGREGATE [ ]	$ 5,000,000 $ 5,000,000 $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ] (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					[ ] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
C	Pollution Liability			CPLMOL117511	06/01/2023	06/01/2024	Each Act Error or Omission Gen. Aggregate	$1,000,000 $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Additional Insured: City of South Lake Tahoe 1740 D Street South Lake Tahoe, CA 96150

CERTIFICATE HOLDER

City of South Lake Tahoe
1740 D Street
South Lake Tahoe, CA 96150

CANCELLATION

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AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/08/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER	**CONTACT NAME:** Bruce Nelson
Always Sierra Insurance Services 2338 Gold River Road, Suite B Rancho Cordova CA 95670	**PHONE (A/C, No, Ext):** (916) 476-3663 **FAX (A/C, No):** **E-MAIL ADDRESS:** bruce@alwayssierrainsurance.com
INSURED La Fleur Excavating Po Box 2391 Orangevale CA 95662	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** KINSALE INSURANCE COMPANY **INSURER B :** James River Insurance Company — 12203 **INSURER C :** **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR [ ] [X] GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:	X		0100193101-1	06/01/2023	06/01/2024	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG [ ]	$ 1,000,000 $ 100,000 $ 2,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
	[ ] AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY [ ]						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) [ ]	$ $ $ $ $
B	[ ] UMBRELLA LIAB [X] OCCUR [X] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $	X		TBD	6/8/2023	6/8/2024	EACH OCCURRENCE AGGREGATE [ ]	$ 5,000,000 $ 5,000,000 $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					[ ] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Additional Insured: City of South Lake Tahoe 1740 D Street South Lake Tahoe, CA 96150

CERTIFICATE HOLDER

City of South Lake Tahoe
1740 D Street
South Lake Tahoe, CA 96150

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

Attached To and Forming Part of Policy	*Effective Date of Endorsement*	*Named Insured*
0100193101-1	06/01/2023 12:01AM at the Named Insured address shown on the Declarations	Damon La Fleur
Additional Premium: $0	*Return Premium:* $0	

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE	
Name of Additional Insured Person(s) or Organization(s)	**Location(s) of Covered Operations**
Blanket, as required by written contract, executed prior to the start of work on the project.	Locations as required and specified by written contract, executed prior to the start of work on the project.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

Attached To and Forming Part of Policy	*Effective Date of Endorsement*	*Named Insured*
0100193101-1	06/01/2023 12:01AM at the Named Insured address shown on the Declarations	Damon La Fleur
Additional Premium: $0	*Return Premium:* $0	

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name of Additional Insured Person(s) or Organization(s)	Location and Description of Completed Operations
Blanket, as required by written contract, executed prior to the start of work on the project.	Locations as required and specified by written contract, executed prior to the start of work on the project.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

© Insurance Services Office, Inc., 2018

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION) - AUTOMATIC

Attached To and Forming Part of Policy	*Effective Date of Endorsement*	*Named Insured*
0100193101-1	06/01/2023 12:01AM at the Named Insured address shown on the Declarations	Damon La Fleur
Additional Premium: $0	*Return Premium:* $0	

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART DESIGNATED SITES
POLLUTION LIABILITY LIMITED COVERAGE PART DESIGNATED SITES
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY DESIGNATED TANKS

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery against any person or organization, because of any payment we make under this Coverage Part, to whom the insured has waived its right of recovery in a written contract or agreement. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person or organization prior to loss.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

© Insurance Services Office, Inc, 2018

CITY OF SOUTH LAKE TAHOE
DEPARTMENT OF PUBLIC WORKS

PERFORMANCE BOND FORM

Bond # 107819069

DOCUMENT 00620 - PERFORMANCE BOND FORM

WHEREAS, the City Council of the City of South Lake Tahoe, State of California, and **LaFleur Excavating Inc** hereinafter designated as "Principal" have entered into an Agreement for the furnishing of all materials, labor, services and equipment necessary, convenient and proper to:

Barton Avenue & 2nd Street Drainage Project

pursuant to the said Agreement dated **May 2**, 2023, and all of the documents attached thereto and incorporated by reference, becoming a part of said Agreement, are hereby referred to and made a part hereof; and,

WHEREAS, said Principal is required according to the terms of said Agreement and applicable California State law, to furnish a Bond for the faithful Performance of said Agreement.

NOW, THEREFORE, we, the Principal and **Travelers Casualty and Surety Company of America** as Surety, are held and firmly bound unto the City of South Lake Tahoe in the penal sum of: **One Million Nine Hundred Ninety-Three Thousand Nine Hundred Ninety-Nine** Dollars ($ **1,993,999.00x**), lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, Principal's heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and faithfully perform the covenants, conditions and agreements in the said Agreement and any alterations made as therein provided, on the Principal's part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of South Lake Tahoe, its employees, council members and agents, as therein stipulated, then this obligation shall be null and void; otherwise it shall be and remain in full force and effect.

If the City of South Lake Tahoe shall provide notice that it considers the Principal to be in default, Surety, upon receipt of such written notice, shall, within thirty (30) days, conduct any and all investigations that it deems necessary and appropriate to perform. Surety agrees to do so in order to be in a position to respond timely and efficiently, with the best interests of the overall completion of the Project as the primary goal, and without detriment to the Project or the City of South Lake Tahoe, should the City of South Lake Tahoe elect to exercise its right to terminate the Principal's right to proceed due to default.

If the City of South Lake Tahoe issues a written notice of termination for default, Surety shall, within fifteen (15) calendar days, tender a written program to City of South Lake Tahoe which comprehensively details Surety's proposed completing contractor, its personnel and the manner in which the Surety will immediately honor its performance bond obligations. The time for completion of the Project shall not be extended as a result of the notice to the Surety, the election by City of South Lake Tahoe to terminate Principal's right to proceed for default, and/or the time it takes Surety to act as required hereunder.

Surety agrees that in responding to any such notice of default of its Principal, Surety shall not be entitled to tender as its completion contractor the Principal or any entity owned, controlled or affiliated with Principal. The response by Surety to City of South Lake Tahoe shall include whether the Surety intends to use the key project personnel of Principal as part of the staff of the Completing Contractor, and the consent by City of South Lake Tahoe of the right to use some, any or all of those proposed individuals shall be at the sole and absolute discretion of the City of South Lake Tahoe. No claim shall be made arising from the good faith exercise by City of South Lake Tahoe of the discretion denying any such request.

As a condition precedent to the satisfactory completion of the said Agreement, the above obligation shall hold good for the maximum period of time allowed by applicable law (including all statutes of limitation or repose) and commensurate with the obligations owed by the Principal to the City of South Lake Tahoe, during which time, if the Principal, Principal's heirs, executors, administrators, successors or assigns shall fail to make full, complete and satisfactory repair and replacements or totally protect the City of South Lake Tahoe from loss or damage made evident during said period, the above obligation shall be and remain in full force and effect.

The terms and conditions of the Agreement between the Principal and the City of South Lake Tahoe are expressly incorporated into this Performance Bond as though set forth in full.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, addition or deletion to the terms of the said Agreement, or to the Work to be performed thereunder, shall in any way affect its obligations on this Bond, and the Surety hereby waives notice of any such change, extension of time, alteration, addition or deletion to the terms of the said Agreement or to the Work. And the said Surety, for value received, hereby stipulates and agrees to waive the benefits of California Civil Code Sections 2819 and 2845.

In the event suit is brought upon this Bond by the City of South Lake Tahoe and judgment is recovered, Surety shall pay all costs incurred by the City of South Lake Tahoe in such suit, including a reasonable attorney's fee to be fixed by the court in accordance with applicable statutory law.

The Surety, by the execution of this Bond, represents and warrants that this Bond has also been duly executed by the Principal with proper authority, and the Surety hereby waives any defense which it might have by reason of any failure by the Principal to execute or properly execute this

Bond.

IN WITNESS WHEREOF two identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named on the **8th** day of **June**, 20**23**.

PRINCIPAL:

Signature

Mina Lafleur

Name

Secretary

Title

PO Box 2394 Orangevale CA 95662

Address

SURETY: Travelers Casualty and Surety Company of America

Signature

Melanie Davis

Name

Attorney in Fact

Title

Po Box 19150 Spoakne WA 99219

Address

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
HARTFORD, CONN.

NOTE TO SURETY COMPANY:
The following form of acknowledgement should be used. If any other form of acknowledgement is used, there must be submitted a certified copy of unrevoked resolution of authority for the attorney-in-fact.

SURETY COMPANY ATTORNEY-IN-FACT

STATE OF **Washington**)
COUNTY OF **Spokane**) ss.
)

Civil Code § 1189

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.

On **June 8th 2023**, before me, the undersigned, a Notary Public in and for the State, personally appeared **Melanie Davis**, known to me to be the duly authorized Attorney-in-Fact of the corporate Surety named in the within instrument, known to me to be authorized to execute that instrument on behalf of said corporation, known to me to be the person whose name is subscribed to such instrument as the Attorney-in-Fact of said corporation, and acknowledged to me that he (she) subscribed the name of said corporation thereto as Surety, and his (her) own name as Attorney-in-Fact and that said corporation executed the same.

WITNESS MY HAND AND OFFICIAL SEAL:

(SEAL)
VERONICA STEVENS
Notary Public
State of Washington
Commission Number 31114
My Commission Expires
August 15 2026

Veronica M Stevens
Notary Public for the State of California.

Acknowledgement by Attorney-in-Fact must be attached.
Corporate seals of Principal and Surety must be attached.

END OF DOCUMENT 00620

CALIFORNIA ACKNOWLEDGMENT **CIVIL CODE § 1189**

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 Sacramento }

On June 14 2023 before me, F. Wadiwala, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Mina Lafleur
Name(s) of Signer(s)

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

F. WADIWALA
Notary Public - California
Sacramento County
Commission # 2382073
My Comm. Expires Nov 7, 2025

Place Notary Seal and/or Stamp Above

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 F. W
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

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TRAVELERS

Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Melanie Davis** of **SPOKANE** , **Washington** , their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **21st** day of **April**, **2021**.

State of Connecticut

City of Hartford ss.

By: _____
Robert L. Raney, Senior Vice President

On this the **21st** day of **April**, **2021**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, **2026**

_____
Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **8th** day of **June** , **2023** .

_____
Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.

CITY OF SOUTH LAKE TAHOE
DEPARTMENT OF PUBLIC WORKS

PAYMENT BOND FORM

Bond # 107819069

DOCUMENT 00610 - PAYMENT BOND FORM

WHEREAS, the City Council of the City of South Lake Tahoe, State of California, and **LaFleur Excavating Inc** hereinafter designated as "Principal" have entered into an Agreement for the furnishing of all materials, labor, services and equipment necessary, convenient and proper to:

Barton Avenue & 2nd Street Drainage Project

pursuant to the said Agreement dated **May 2,** , 2023, and all of the documents attached thereto and incorporated by reference, becoming a part of said Agreement, are hereby referred to and made a part hereof; and,

WHEREAS, said Principal is required by California law, including, without limitation, Part 6 (commencing at §8000), Division 4 of the California Civil Code to furnish a Bond in connection with said Agreement.

NOW THEREFORE, we, the Principal and Travelers Casualty and Surety Company of America as Surety, are held and firmly bound unto the City of South Lake Tahoe in the penal sum of: One Million Nine Hundred Ninety Three Thousand Nine Hundred Ninety Nine Dollars ($ 1,993,999.00x), lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if said Principal, its subcontractors, heirs, executors, administrators, successors or assigns shall fail to pay any of the persons named in §9100 of the California Civil Code, any amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, any prevailing wages due and penalties incurred pursuant to Sections 1774, 1775, 1813 and 1815 of the California Labor Code, any amounts required to be deducted or withheld from the wages of employees of the Principal and its subcontractors for payment to the United States Government and/or to the State Franchise Tax Board with respect to such work and labor, the Surety will pay for the same, in an amount not exceeding the total sum herein above specified, and also, in case suit is brought upon this Bond, a reasonable attorney's fee to be fixed by the court. This Bond shall inure to the benefit of any of the persons named in Section 9100 of the California Civil Code, so as to give the right of action to such persons or their assigns in any suit brought upon this Bond.

It is further stipulated and agreed that the Surety on this Bond shall not be exonerated or released from the obligation of this Bond by any change, extension of time for performance, addition,

deletion, alteration, or modification in, to, or any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described or pertaining to or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement, or Bond, nor by any conditions precedent or subsequent in the Bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the Bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the Bond, and that this Bond be construed most strongly against the Surety and in favor of all persons for whose benefit such Bond is given, and under no circumstances shall the Surety be released from its obligations hereunder by reason of any breach of contract between the City of South Lake Tahoe and said Principal or on the part of any obligee named in such Bond, but the sole conditions of recovery shall be that claimant is a person described in §9100 of the California Civil Code and has not been paid the full amount of its claim, and that Surety does hereby waive notice of any such change, extension of time, addition, deletion, alteration, or modification herein mentioned.

The Surety, by the execution of this Bond, represents and warrants that this Bond has also been duly executed by the Principal with proper authority, and the Surety hereby waives any defense which it might have by reason of any failure by the Principal to execute or properly execute this Bond.

IN WITNESS WHEREOF two identical counterparts of this instrument each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named on the **8th** day of **June**, 20**23**.

PRINCIPAL: **LaFleur Excavating Inc**

Signature

Mina LaFleur

Name

Secretary

Title

PO Box 2391 Orangevale CA 95662

Address

SURETY: **Travelers Casualty and Surety Company of America**

Melanie Davis

Signature

Melanie Davis

Name

Attorney in Fact

Title

Po Box 19150 Spokane WA 99219

Address

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
HARTFORD, CONN.

00610
Page 66

NOTE TO SURETY COMPANY:
The following form of acknowledgement should be used. If any other form of acknowledgement is used, there must be submitted a certified copy of unrevoked resolution of authority for the attorney-in-fact.

SURETY COMPANY ATTORNEY-IN-FACT

STATE OF **Washington**)
COUNTY OF **Spokane**) ss.
)

Civil Code § 1189

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.

On **June 8th 2023**, before me, the undersigned, a Notary Public in and for the State, personally appeared **Melanie Davis**, known to me to be the duly authorized Attorney-in-Fact of the corporate Surety named in the within instrument, known to me to be authorized to execute that instrument on behalf of said corporation, known to me to be the person whose name is subscribed to such instrument as the Attorney-in-Fact of said corporation, and acknowledged to me that he (she) subscribed the name of said corporation thereto as Surety, and his (her) own name as Attorney-in-Fact and that said corporation executed the same.

WITNESS MY HAND AND OFFICIAL SEAL:

VERONICA STEVENS
Notary Public
State of Washington
Commission Number 31114
Commission Expires
August 15, 2026

Veronica M Stevens
Notary Public for the State of California.

Acknowledgement by Attorney-in-Fact must be attached.
Corporate seals of Principal and Surety must be attached.

END OF DOCUMENT 00610

CALIFORNIA ACKNOWLEDGMENT **CIVIL CODE § 1189**

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 Sacramento }

On June 14 2023 before me, F. Wadiwala, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Mina Lafleur
Name(s) of Signer(s)

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

F. WADIWALA
Notary Public - California
Sacramento County
Commission # 2382073
My Comm. Expires Nov 7, 2025

Place Notary Seal and/or Stamp Above

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 F. Wadiwala
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer is Representing: _____

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TRAVELERS

Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Melanie Davis** of **SPOKANE**, **Washington**, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **21st** day of **April**, **2021**.

State of Connecticut

City of Hartford ss.

By: _____
Robert L. Raney, Senior Vice President

On this the **21st** day of **April**, **2021**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, **2026**

_____
Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **8th** day of **June**, **2023**.

_____
Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #:9

Agenda Item: California Tahoe Conservancy Planning Grant Application for Dennis Machida Memorial Trail Phase 1c

Executive Summary: Submittal of this grant application to the California Tahoe Conservancy could provide an additional $800,000 to complete feasibility assessment, public meetings, alternative development, environmental review, and initiation of detailed engineering drawings for a preferred alternative alignment of the Dennis Machida Memorial Greenway Phase 1c. This grant has no formal match requirement and will allow the City to build on the previously completed survey and feasibility assessments.

Requested Action / Suggested Motions: Pass a Resolution authorizing the Director of Public Works to submit a grant application for $800,000 to the California Tahoe Conservancy for the Dennis Machida Memorial Trail Phase 1c.

Responsible Staff Member: Jason Burke, Complete Streets Program Manager, and Stephen Anderjack, Associate Civil Engineer

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff Report-CTC Grant Application.docx
02-Resolution - CTC Grant Application.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: Authorization to Apply for California Tahoe Conservancy Planning Grant Program for the Dennis Machida Memorial Trail Phase 1c

Location: Pioneer Trail (Herbert Avenue to Ski Run Boulevard)

Responsible Staff Member: Jason Burke, Complete Streets Program Manager (530) 542-6038 and Stephen Anderjack, Associate Civil Engineer (530) 542-6033

Background: The Dennis T. Machida Memorial Greenway Trail will connect the Tahoe Sierra Neighborhood to Van Sickle Bi-State Park via a series of paved bicycle and pedestrian trails, completing the core of the non-motorized transportation network in the South Shore. Previously known as the South Tahoe Greenway Shared Use Trail, the original project approval and preliminary designs occurred in 2011 and were amended in 2016.

Phase 1a of the Greenway extends between Herbert Avenue and Glenwood Way in the heart of the Bijou neighborhood in South Lake Tahoe. This project phase was built in 2016 and is open to public use.

Phases 1b and 2 of the Greenway extend the trail south across Bijou Creek Meadow, crossing Al Tahoe Boulevard to Lake Tahoe Community College (LTCC). From LTCC, the trail crosses Trout Creek and Martin Avenue to provide a safe route to Sierra Boulevard in the Tahoe Sierra neighborhood. This project connects to the City of South Lake Tahoe's Sierra Boulevard "complete streets" project and extends the bike trail network to the U.S. Highway 50 revitalization project. Phases 1b and 2 were completed in 2021 and are open to public use.

Phase 1c of the Greenway will extend from Herbert Ave. to Ski Run Blvd. To complete Phase 1c of the Greenway, the city has been invited to apply for grant funds from the Tahoe California Conservancy (CTC) to complete feasibility studies, alternatives analysis, and updates to the environmental document to move forward with the design of the project.

Issue and Discussion: On January 4, 2022, the City Council approved the appropriation of $200,000 of SLFRF funds for planning studies to assess the original conceptual trail alignment and environmental documents for phase 1c as originally designed by the CTC in 2011.

The originally designed alignment for Phase 1c begins at the easterly terminus of phase 1a at Herbert Avenue, crosses into CTC owned land, then veers up to, and along the Pioneer Trail right of way to the limits of Ski Run Boulevard. This proposed alignment along the north side of Pioneer Trail comprises several design issues including limited site distance, insufficient right of way width, topography elevation changes, and property acquisition concerns that have prevented this section of the Greenway from moving forward. The Conservancy has stepped forward with this grant opportunity to provide an additional $800,000 to advance planning and design utilizing the survey and feasibility analysis previously completed by the City. This requested action will authorize staff to submit a grant application for an additional $800,000 in grant funds to advance the design of this phase of the Greenway.

Financial Implications: On June 7th, 2022, the City Council authorized an appropriation of $56,037 in Resolution 2022-065 in addition to the previously allocated $200,000 in American Rescue Plan Act funds for engineering design services for phase 1c of the Greenway. If approved, this grant from the Conservancy would provide an additional $800,000 to complete a feasibility assessment, public meetings, alternative development, environmental review, and initiation of detailed engineering drawings for a preferred alternative alignment. This grant has no formal match requirement and will allow the City to build on the previously completed survey and feasibility assessments. Upon receipt of the grant, staff plans to issue an RFP using the remaining $197,792.05 City funds, in addition to the $800,000 in Conservancy grant funds to advance the project to become “shovel ready”. No additional funds are being requested at this time.

Environmental Considerations: Submittal of this grant application is statutorily exempt from review under CEQA Guidelines section 15262 (planning and feasibility studies). *“A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or negative declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities”.*

Policy Implications: Authorizing this grant application will potentially fund the design and environmental work for the Greenway that will advance the City Council's Strategic Priorities and Goals, specifically:

- **Action Item 1.4 (Transportation):** Prioritize the implementation of trail and complete street projects including continued progress of the Greenway to Van Sickle Bi-State Park.
- **Action Item 2.3 (Connectivity):** Enhance the connectivity of the community for those on foot and bike, while promoting a car-free culture.
- **Action Item 5.3 (Infrastructure and Maintenance):** Actively seek funding to develop sustainable infrastructure projects, based on the prioritized capital improvement project list.

The project will also provide greenhouse gas reduction benefits, providing progress on Action #WB-1 of the 2020 Climate Action Plan: Improve bicycle and pedestrian networks.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

December 12, 2023

Authorization to Apply for California Tahoe Conservancy Planning Grant Program for the Dennis Machida Memorial Trail Phase 1c

BACKGROUND

A. The City of South Lake Tahoe has designated the Dennis Machida Memorial Trail Phase 1c a viable and desired project.

B. The California Tahoe Conservancy is open to accepting a grant application to fund planning and design to advance phase 1C of the Greenway so that the project can eventually be built.

C. Upon award of the grant the Public Works Department will return to the City Council to authorize execution of a grant agreement and request budget appropriations upon notification of a grant award.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Authorizes the Public Works Director, or designee, to submit a grant application to the California Tahoe Conservancy for an amount up to $800,000 for planning and design for the Dennis Machida Memorial Trail Phase 1c project.

Adopted by the City of South Lake Tahoe City Council on December 12, 2023 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____

Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 10

Agenda Item: California Office of Traffic Safety Enforcement Grant FY 23-24

Executive Summary: The Police Department has applied for an OTS STEP grant which has been "tentatively approved" by OTS in an amount up to $41,000.00 to fund extra traffic enforcement, training, and traffic related equipment. City Council authorization is required by OTS and the City to accept, budget, and receive reimbursement of grant funds. OTS anticipates final approval and a grant agreement in place by October 1, 2023.

Requested Action / Suggested Motions:

Pass a Resolution ratifying the application, budget, and reimbursement of grant award by California Office of Traffic Safety (OTS) for a Selective Traffic Enforcement Program (STEP) in amount up to $41,000.00, and upon final approval from OTS, authorizing the Mayor to execute a grant agreement.

Responsible Staff Member: Lt Scott Crivelli

Reviewed and Approved By: David Stevenson, Chief of Police Susan Blankenship, Coity Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff Report - OTS Grant.docx
02-Resolution - Office of Traffic Safety Grant.docx
03 - Grant Agreement
04 - Grant Application

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: California Office of Traffic Safety Enforcement Grant FY 23-24

Location: Citywide

Responsible Staff Member: Lieutenant Scott Crivelli, (530) 542-6130

Background: The California Office of Traffic Safety (OTS) provides grants to local jurisdictions for various traffic safety enforcement programs. On January 28, 2023, the Police Department submitted an application to OTS for a Selective Traffic Enforcement Program (STEP) grant. The grant amount requested was $45,531.92. The Police Department received notification that our application has been "tentatively approved" for up to $41,000.00.

OTS and City financial policy require approval by City Council for the application, acceptance, budget, and reimbursement for this grant.

Issue and Discussion: Traffic Collisions including those involving impaired drivers, vehicle versus bicycle and/or pedestrians, and collisions involving motorcycles continue to be a safety issue in the City. The OTS STEP grant will be used to conduct traffic enforcement operations, public information campaigns, and officer training related to impaired drivers. The goal of the program is to reduce the number of injury and fatal traffic collisions in the City.

Financial Implications: There will be no additional impact to the general fund. This is a reimbursement grant. The tentative approval for the program is not to exceed $41,000.00.

Expenditures for the program will be reimbursed quarterly. If approved, effective October 1, 2023; budget in account number 229 02110 should be amended as follows:

Revenue: #33130 $41,000.00

Expenditures: Final expenditure accounts to be determined after receipt of the grant agreement from OTS and after adjustments to personnel and equipment costs based on the amount approved versus the original amount requested not to exceed $41,000.00 combined.

Environmental Considerations: The proposed action is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(4) (creation of government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment).

Policy Implications: The police boating safety program supports the City of South Lake Tahoe's Strategic Plan "5.1 – Public Safety".

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

December 12, 2023

Ratify the application, budget, and reimbursement of grant award by California Office of Traffic Safety (OTS) for a Selective Traffic Enforcement Program (STEP) in amount up to $41,000.00, and upon final approval from OTS, authorize the Mayor to execute a grant agreement.

BACKGROUND

The California Office of Traffic Safety (OTS) provides grants to law enforcement agencies to support traffic safety programs.

The Police Department applied for and was tentatively awarded an OTS STEP grant in an amount not to exceed $41,000.00.

The Police Department intends to utilize these grant funds to increase traffic safety through special enforcement operations, training, and public outreach.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

Approves and accepts the OTS STEP grant award up to $41,000.00.

Authorizes the Mayor to execute a grant agreement including any extensions or amendments thereof and any subsequent contract with the State in relation thereto once the agreement is received from the State.

Authorizes increasing the 2023/2024 City budget account # 229 02110 as follows:

Revenue: #33221 $41,000.00

Expenditures: #41040 (Personnel), #44050 (Training travel), and #46110 (Equipment) to be determined after receipt of grant agreement by the State not to exceed $41,000.00 combined.

Adopted by the City of South Lake Tahoe City Council on December 12, 2023 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date: _____
Mayor

Attest: _____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

1. GRANT TITLE
Selective Traffic Enforcement Program (STEP)

2. NAME OF AGENCY
South Lake Tahoe

3. Grant Period
From: 10/01/2023
To: 09/30/2024

4. AGENCY UNIT TO ADMINISTER GRANT
South Lake Tahoe Police Department

5. GRANT DESCRIPTION
Best practice strategies will be conducted to reduce the number of persons killed and injured in crashes involving alcohol and other primary crash factors. The funded strategies may include impaired driving enforcement, enforcement operations focusing on primary crash factors, distracted driving, night-time seat belt enforcement, special enforcement operations encouraging motorcycle safety, enforcement and public awareness in areas with a high number of bicycle and pedestrian crashes, and educational programs. These strategies are designed to earn media attention thus enhancing the overall deterrent effect.

6. **Federal Funds Allocated Under This Agreement Shall Not Exceed: $41,000.00**

7. TERMS AND CONDITIONS: The parties agree to comply with the terms and conditions of the following which are by this reference made a part of the Agreement:
- Schedule A – Problem Statement, Goals and Objectives and Method of Procedure
- Schedule B – Detailed Budget Estimate and Sub-Budget Estimate (if applicable)
- Schedule B-1 – Budget Narrative and Sub-Budget Narrative (if applicable)
- Exhibit A – Certifications and Assurances
- Exhibit B* – OTS Grant Program Manual
- Exhibit C – Grant Electronic Management System (GEMS) Access

*Items shown with an asterisk (*), are hereby incorporated by reference and made a part of this agreement as if attached hereto.

These documents can be viewed at the OTS home web page under Grants: www.ots.ca.gov.

We, the officials named below, hereby swear under penalty of perjury under the laws of the State of California that we are duly authorized to legally bind the Grant recipient to the above described Grant terms and conditions.
IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

8. Approval Signatures

A. GRANT DIRECTOR
NAME: Doug Sentell
TITLE: Sergeant
EMAIL: dsentell@cityofslt.us
PHONE: (530) 542-6100
ADDRESS: 1352 Johnson Blvd
South Lake Tahoe, CA 96150

(Signature) Oct 9, 2023 (Date)

B. AUTHORIZING OFFICIAL
ADDRESS: Cristi Creegan
Mayor
ccreegan@cityofslt.us
(530) 318-9055
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Cristi Creegan
(Signature) Oct 10, 2023 (Date)

C. FISCAL OFFICIAL
ADDRESS: Lori Marino
Principal Management Analyst
lmarino@cityofslt.us
(530) 542-7410
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

(Signature) Oct 10, 2023 (Date)

D. AUTHORIZING OFFICIAL OF OFFICE OF TRAFFIC SAFETY
ADDRESS: Barbara Rooney
Director
barbara.rooney@ots.ca.gov
(916) 509-3030
2208 Kausen Drive, Suite 300
Elk Grove, CA 95758

Barbara L. Rooney
(Signature) Oct 10, 2023 (Date)

E. ACCOUNTING OFFICER OF OFFICE OF TRAFFIC SAFETY	9. SAM INFORMATION
NAME: Carolyn Vu ADDRESS: 2208 Kausen Drive, Suite 300 Elk Grove, CA 95758	SAM #: FG8YLL3CQ3J1 REGISTERED ADDRESS: 1901 Airport Rd CITY: South Lake Tahoe ZIP+4: 96150-7009

10. PROJECTED EXPENDITURES

FUND	CFDA	ITEM/APPROPRIATION	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
164AL-24.1	20.608	0521-0890-101	2022	43/22	BA/22	$7,480.00
402PT-24.1	20.600	0521-0890-101	2022	43/22	BA/22	$6,460.00
164AL-24	20.608	0521-0890-101	2023	12/23	BA/23	$14,520.00
402PT-24	20.600	0521-0890-101	2023	12/23	BA/23	$12,540.00
				AGREEMENT TOTAL		**$41,000.00**

	AMOUNT ENCUMBERED BY THIS DOCUMENT **$41,000.00**
I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.	PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT **$ 0.00**
OTS ACCOUNTING OFFICER'S SIGNATURE 	DATE SIGNED Oct 10, 2023
	TOTAL AMOUNT ENCUMBERED TO DATE **$41,000.00**

1. PROBLEM STATEMENT

The City of South Lake Tahoe is very unique compared to most California cities. South Lake Tahoe shares a border with Nevada that has five large casinos within the first mile that offer 24 hour alcohol and entertainment. The city has a population of 23,000 with approximately 2.2 million visitors to the Lake Tahoe Basin annually. Motorists in South Lake Tahoe also deal with extreme weather conditions in the winter months and heavily congested vehicle traffic in the summer months. The city also has a large portion of the population and its visitors walking, biking, or riding motorcycles during all months of the year.

In 2020, the city endured the unprecedented issues caused by Covid-19. These issues included complete travel bans, the premature shut down of our ski industry, lodging bans, and a segment of people too afraid to travel. As a city built on the tourist/travel economy, the number of visitors to South Lake Tahoe dramatically reduced, oftentimes causing empty roadways. As we transitioned out of Covid restrictions, we saw a dramatic rise in visitors return to the area. These visitors brought back the congestion and conflict between vehicle, pedestrian, and bicycle traffic. Our fiscal year 21/22 traffic statistics showed an increase in several areas that reflected the increase in visitor population.

In 2021, there were ninety-three total traffic crashes that occurred in the city of South Lake Tahoe. Of those crashes, twelve of those were injuries crashes resulting in 16 injuries. While the other eighty-one crashes were property damage only. One of those crashes involved a bicyclist and two involved a pedestrian.

In 2022, there were one hundred and twenty-six total traffic crashes that occurred in the city of South Lake Tahoe. Of those crashes, twenty-seven of those were injuries crashes resulting in thirty-four injuries. While the other ninety-nine were property damage only. Four of these crashes involved motorcycles, four involved a bicycle, and two involved a pedestrian.
The South Lake Tahoe Police department does not have a dedicated traffic enforcement unit. We use grant funding to conduct dedicated traffic enforcement operations. We have one traffic motor officer who works traffic enforcement on a part time basis around their normal patrol officer beat functions and calls for service; They cannot currently dedicate their full focus to traffic enforcement. Additionally, the season weather prohibits the motor officer from using the motor during the fall/winter months.

2. PERFORMANCE MEASURES

A. Goals:

1. Reduce the number of persons killed in traffic crashes.
2. Reduce the number of persons injured in traffic crashes.
3. Reduce the number of pedestrians killed in traffic crashes.
4. Reduce the number of pedestrians injured in traffic crashes.
5. Reduce the number of bicyclists killed in traffic crashes.
6. Reduce the number of bicyclists injured in traffic crashes.
7. Reduce the number of persons killed in alcohol-involved crashes.
8. Reduce the number of persons injured in alcohol-involved crashes.
9. Reduce the number of persons killed in drug-involved crashes.
10. Reduce the number of persons injured in drug-involved crashes.
11. Reduce the number of persons killed in alcohol/drug combo-involved crashes.
12. Reduce the number of persons injured in alcohol/drug combo-involved crashes.
13. Reduce the number of motorcyclists killed in traffic crashes.
14. Reduce the number of motorcyclists injured in traffic crashes.
15. Reduce hit & run fatal crashes.
16. Reduce hit & run injury crashes.
17. Reduce nighttime (2100 - 0259 hours) fatal crashes.
18. Reduce nighttime (2100 - 0259 hours) injury crashes.

B. Objectives:	Target Number
1. Issue a press release announcing the kick-off of the grant by November 15. The kick-off press releases and media advisories, alerts, and materials must be	1

emailed to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, for approval 14 days prior to the issuance date of the release.	
2. Participate and report data (as required) in the following campaigns; Quarter 1: National Walk to School Day, National Teen Driver Safety Week, NHTSA Winter Mobilization; Quarter 3: National Distracted Driving Awareness Month, National Motorcycle Safety Month, National Bicycle Safety Month, National Click it or Ticket Mobilization; Quarter 4: NHTSA Summer Mobilization, National Child Passenger Safety Week, and California's Pedestrian Safety Month.	10
3. Develop (by December 31) and/or maintain a "DUI BOLO" program to notify patrol and traffic officers to be on the lookout for identified repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. Updated DUI BOLOs should be distributed to patrol and traffic officers monthly.	12
4. Send law enforcement personnel to the NHTSA Standardized Field Sobriety Testing (SFST) (minimum 16 hours) POST-certified training.	3
5. Send law enforcement personnel to the NHTSA Advanced Roadside Impaired Driving Enforcement (ARIDE) 16 hour POST-certified training.	2
6. Send law enforcement personnel to the Drug Recognition Expert (DRE) training.	1
7. Send law enforcement personnel to the DRE Recertification training.	1
8. Conduct DUI/DL Checkpoints. A minimum of 1 checkpoint should be conducted during the NHTSA Winter Mobilization and 1 during the Summer Mobilization. To enhance the overall deterrent effect and promote high visibility, it is recommended the grantee issue an advance press release and conduct social media activity for each checkpoint. For combination DUI/DL checkpoints, departments should issue press releases that mention DL's will be checked at the DUI/DL checkpoint. Signs for DUI/DL checkpoints should read "DUI/Driver's License Checkpoint Ahead." OTS does not fund or support independent DL checkpoints. Only on an exception basis and with OTS pre-approval will OTS fund checkpoints that begin prior to 1800 hours. When possible, DUI/DL Checkpoint screeners should be DRE- or ARIDE-trained.	1
9. Conduct DUI Saturation Patrol operation(s).	10
10. Conduct Traffic Enforcement operation(s), including but not limited to, primary crash factor violations.	4
11. Conduct highly publicized Distracted Driving enforcement operation(s) targeting drivers using hand held cell phones and texting.	2
12. Conduct highly publicized Motorcycle Safety enforcement operation(s) in areas or during events with a high number of motorcycle incidents or crashes resulting from unsafe speed, DUI, following too closely, unsafe lane changes, improper turning, and other primary crash factor violations by motorcyclists and other drivers.	2
13. Conduct highly publicized pedestrian and/or bicycle enforcement operation(s) in areas or during events with a high number of pedestrian and/or bicycle crashes resulting from violations made by pedestrians, bicyclists, and drivers.	2
14. Conduct Traffic Safety educational presentation(s) with an effort to reach community members. Note: Presentation(s) may include topics such as distracted driving, DUI, speed, bicycle and pedestrian safety, seat belts and child passenger safety.	2
15. Send law enforcement personnel to DUI Checkpoint Planning and Management training.	1

3. METHOD OF PROCEDURE

A. Phase 1 – Program Preparation (1st Quarter of Grant Year)

- The department will develop operational plans to implement the "best practice" strategies outlined in the objectives section.
- All training needed to implement the program should be conducted in the first quarter.
- All grant related purchases needed to implement the program should be made in the first quarter.
- In order to develop/maintain the "DUI BOLOs," research will be conducted to identify the "worst of the worst" repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. The DUI BOLO may include the driver's name, last known address, DOB,

description, current license status, and the number of times suspended or revoked for DUI. DUI BOLOs should be updated and distributed to traffic and patrol officers at least monthly.
- Implementation of the STEP grant activities will be accomplished by deploying personnel at high crash locations.

Media Requirements Issue a press release approved by the OTS PIO announcing the kick-off of the grant by November 15, but no sooner than October 1. The kick-off release must be approved by the OTS PIO and only distributed after the grant is fully signed and executed. If you are unable to meet the November 15 deadline to issue a kick-off press release, communicate reasons to your OTS coordinator and OTS PIO.

B. Phase 2 – Program Operations (Throughout Grant Year)

- The department will work to create media opportunities throughout the grant period to call attention to the innovative program strategies and outcomes.

Media Requirements

The following requirements are for all grant-related activities:

- Send all media advisories, alerts, videos, graphics, artwork, posters, radio/PSA/video scripts, storyboards, digital and/or print educational materials for grant-related activities to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS coordinator. Optimum lead time would be 7 days before the scheduled release but at least 3 business days prior to the scheduled release date for review and approval is appreciated.
- The OTS PIO is responsible for the approval of the design and content of materials. The agency understands OTS PIO approval is not authorizing approval of budget expenditure or cost. Any cost approvals must come from the Coordinator.
- Pre-approval is not required when using any OTS-supplied template for media advisories, press releases, social media graphics, videos or posts, or any other OTS-supplied educational material. However, copy the OTS PIO at pio@ots.ca.gov and your OTS coordinator when any material is distributed to the media and public, such as a press release, educational material, or link to social media post. The OTS-supplied kick-off press release templates and any kickoff press releases are an exception to this policy and require prior approval before distribution to the media and public.
- If an OTS-supplied template, educational material, social media graphic, post or video is substantially changed, the changes shall be sent to the OTS PIO at pio@ots.ca.gov for approval and copy to your OTS Coordinator. Optimum lead time would be 7 days prior to the scheduled release date, but at least 3 business days prior to the scheduled release date for review and approval is appreciated.
- Press releases, social media posts and alerts on platforms such as NextDoor and Nixle reporting immediate and time-sensitive grant activities (e.g. enforcement operations, day of event highlights or announcements, event invites) are exempt from the OTS PIO approval process. The OTS PIO and your Coordinator should still be notified when the grant-related activity is happening (e.g. car seat checks, bicycle rodeos, community presentations, DUI checkpoints, etc.).
- Enforcement activities such as warrant and probation sweeps, court stings, etc. that are embargoed or could impact operations by publicizing in advance are exempt from the PIO approval process. However, announcements and results of activities should still be copied to the OTS PIO at pio@ots.ca.gov and your Coordinator with embargoed date and time or with "INTERNAL ONLY: DO NOT RELEASE" message in subject line of email.
- Any earned or paid media campaigns for TV, radio, digital or social media that are part of a specific grant objective, using OTS grant funds, or designed and developed using contractual services by a subgrantee, requires prior approval. Please send to the OTS PIO at pio@ots.ca.gov for approval and copy your grant coordinator at least 3 business days prior to the scheduled release date.
- Social media posts highlighting state or national traffic safety campaigns (Distracted Driving Month, Motorcycle Safety Awareness Month, etc.), enforcement operations (DUI checkpoints, etc.), or any other grant-related activity such as Bicycle rodeos, presentations, or events, are highly encouraged but do not require prior approval.

- Submit a draft or rough-cut of all digital, printed, recorded or video material (brochures, posters, scripts, artwork, trailer graphics, digital graphics, social posts connected to an earned or paid media campaign grant objective) to the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator for approval prior to the production or duplication.
- Use the following standard language in all press, media, and printed materials, space permitting: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- Space permitting, include the OTS logo on all grant-funded print materials, graphics and paid or earned social media campaign grant objective; consult your OTS Coordinator for specifics, format-appropriate logos, or if space does not permit the use of the OTS logo.
- Email the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator at least 21 days in advance, or when first confirmed, a short description of any significant grant-related traffic safety event or program, particularly events that are highly publicized beforehand with anticipated media coverage so OTS has sufficient notice to arrange for attendance and/or participation in the event. If unable to attend, email the OTS PIO and coordinator brief highlights and/or results, including any media coverage (broadcast, digital, print) of event within 7 days following significant grant-related event or program. Media and program highlights are to be reflected in QPRs.
- Any press releases, work plans, scripts, storyboards, artwork, graphics, videos or any educational or informational materials that received PIO approval in a prior grant year needs to be resubmitted for approval in the current grant year.
- Contact the OTS PIO or your OTS Coordinator for consultation when changes from any of the above requirements might be warranted.

C. Phase 3 – Data Collection & Reporting (Throughout Grant Year)

1. Prepare and submit grant claim invoices (due January 30, April 30, July 30, and October 30)
2. Prepare and submit Quarterly Performance Reports (QPR) (due January 30, April 30, July 30, and October 30)

- Collect and report quarterly, appropriate data that supports the progress of goals and objectives.
- Provide a brief list of activity conducted, procurement of grant-funded items, and significant media activities. Include status of grant-funded personnel, status of contracts, challenges, or special accomplishments.
- Provide a brief summary of quarterly accomplishments and explanations for objectives not completed or plans for upcoming activities.
- Collect, analyze and report statistical data relating to the grant goals and objectives.

4. METHOD OF EVALUATION

Using the data compiled during the grant, the Grant Director will complete the "Final Evaluation" section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant's accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

5. ADMINISTRATIVE SUPPORT

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

FUND NUMBER	CATALOG NUMBER (CFDA)	FUND DESCRIPTION	TOTAL AMOUNT
164AL-24	20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	$22,000.00
402PT-24	20.600	State and Community Highway Safety	$19,000.00

COST CATEGORY	FUND NUMBER	UNIT COST OR RATE	UNITS	TOTAL COST TO GRANT
A. PERSONNEL COSTS				
Straight Time				$0.00
Overtime				
DUI/DL Checkpoints	164AL-24	$3,850.00	1	$3,850.00
DUI Saturation Patrols	164AL-24	$1,586.00	10	$15,860.00
Traffic Enforcement	402PT-24	$1,586.00	4	$6,344.00
Distracted Driving	402PT-24	$1,586.00	2	$3,172.00
Motorcycle Safety	402PT-24	$1,586.00	2	$3,172.00
Pedestrian and Bicycle Enforcement	402PT-24	$1,586.00	2	$3,172.00
Category Sub-Total				$35,570.00
B. TRAVEL EXPENSES				
In State Travel	402PT-24	$3,140.00	1	$3,140.00
				$0.00
Category Sub-Total				$3,140.00
C. CONTRACTUAL SERVICES				
				$0.00
Category Sub-Total				$0.00
D. EQUIPMENT				
				$0.00
Category Sub-Total				$0.00
E. OTHER DIRECT COSTS				
DUI Checkpoint Supplies	164AL-24	$2,290.00	1	$2,290.00
Category Sub-Total				$2,290.00
F. INDIRECT COSTS				
				$0.00
Category Sub-Total				$0.00
GRANT TOTAL				**$41,000.00**

BUDGET NARRATIVE
PERSONNEL COSTS DUI/DL Checkpoints - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
DUI Saturation Patrols - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Traffic Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Distracted Driving - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Motorcycle Safety - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Pedestrian and Bicycle Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
TRAVEL EXPENSES In State Travel - Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. Anticipated travel may include the California Traffic Safety Summit and the OTS Traffic Safety Law Enforcement Forum. All conferences, seminars or training not specifically identified in the Budget Narrative must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds.
CONTRACTUAL SERVICES -
EQUIPMENT -
OTHER DIRECT COSTS DUI Checkpoint Supplies - On-scene supplies needed to conduct sobriety checkpoints. Costs may include 28" traffic cones, MUTCD compliant traffic signs, MUTCD compliant high visibility vests (maximum of 10), traffic counters (maximum of 2), generator, gas for generators, lighting, reflective banners, electronic flares, PAS Device/Calibration Supplies, heater, propane for heaters, fan, anti-fatigue mats, and canopies. Additional items may be purchased if approved by OTS. The cost of food and beverages will not be reimbursed. Each item must have a unit cost of less than $5,000 (including tax and shipping).
INDIRECT COSTS -
STATEMENTS/DISCLAIMERS There will be no program income generated from this grant. Nothing in this "agreement" shall be interpreted as a requirement, formal or informal, that a particular law enforcement officer issue a specified or predetermined number of citations in pursuance of the goals and objectives here under.

Certifications and Assurances for Fiscal Year 2024 Highway Safety Grants (23 U.S.C. Chapter 4 or Section 1906, Public Law 109-59, as amended by Section 25024, Public Law 117-58)

The officials named on the grant agreement, certify by way of signature on the grant agreement signature page, that the Grantee Agency complies with all applicable Federal statutes, regulations, and directives and State rules, guidelines, policies, and laws in effect with respect to the periods for which it receives grant funding. Applicable provisions include, but are not limited to, the following:

GENERAL REQUIREMENTS

The State will comply with applicable statutes and regulations, including but not limited to:

- 23 U.S.C. Chapter 4—Highway Safety Act of 1966, as amended;
- Sec. 1906, Public Law 109-59, as amended by Sec. 25024, Public Law 117-58;
- 23 CFR part 1300—Uniform Procedures for State Highway Safety Grant Programs;
- 2 CFR part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 2 CFR part 1201—Department of Transportation, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

NONDISCRIMINATION

(applies to all subrecipients as well as States)

The State highway safety agency [and its subrecipients] will comply with all Federal statutes and implementing regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities"). These include but are not limited to:

- *Title VI of the Civil Rights Act of 1964* (42 U.S.C. 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- *49 CFR part 21* (entitled *Non-discrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964*);
- *28 CFR 50.3* (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);
- *The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970,* (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- *Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), and Title IX of the Education Amendments of 1972,* as amended (20 U.S.C. 1681-1683 and 1685-1686) (prohibit discrimination on the basis of sex);
- *Section 504 of the Rehabilitation Act of 1973,* (29 U.S.C. 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability) and 49 CFR part 27;
- *The Age Discrimination Act of 1975,* as amended, (42 U.S.C. 6101 *et seq.*), (prohibits discrimination on the basis of age);
- *The Civil Rights Restoration Act of 1987*, (Pub. L. 100-209), (broadens scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal aid recipients, subrecipients and contractors, whether such programs or activities are Federally-funded or not);
- *Titles II and III of the Americans with Disabilities Act* (42 U.S.C. 12131-12189) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and 49 CFR parts 37 and 38;
- *Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations* (preventing discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- *Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency* (requiring that recipients of Federal financial assistance provide meaningful access for applicants and beneficiaries who have limited English proficiency (LEP));
- *Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities through the Federal Government (*advancing equity across the Federal Government); and
- *Executive Order 13988, Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation* (clarifying that sex discrimination includes discrimination on the grounds of gender identity or sexual orientation).

The preceding statutory and regulatory cites hereinafter are referred to as the "Acts" and "Regulations," respectively.

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity, for which the Recipient receives Federal financial assistance from DOT, including NHTSA."

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI of the Civil Rights Act of 1964 and other non-discrimination requirements (the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these nondiscrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

SPECIFIC ASSURANCES

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted Highway Safety Grant Program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in § 21.23(b) and (e) of 49 CFR part 21 will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.
2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with all Highway Safety Grant Programs and, in adapted form, in all proposals for negotiated agreements regardless of funding source:
   "The [name of Recipient], in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."
3. The Recipient will insert the clauses of appendix A and E of this Assurance (also referred to as DOT Order 1050.2A) in every contract or agreement subject to the Acts and the Regulations.
4. The Recipient will insert the clauses of appendix B of DOT Order 1050.2A, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.
5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.
6. That where the Recipient receives Federal financial assistance in the form of, or for the acquisition of, real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.
7. That the Recipient will include the clauses set forth in appendix C and appendix D of this DOT Order 1050.2A, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:
   a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
   b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:
   a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
   b. the period during which the Recipient retains ownership or possession of the property.
9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, sub- grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.
10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the State highway safety agency also agrees to comply (and require any sub-recipients, sub-grantees, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing NHTSA's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by NHTSA. You must keep records, reports, and submit the material for review

upon request to NHTSA, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The State highway safety agency gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the Highway Safety Grant Program. This ASSURANCE is binding on the State highway safety agency, other recipients, sub-recipients, sub-grantees, contractors, subcontractors and their subcontractors', transferees, successors in interest, and any other participants in the Highway Safety Grant Program. The person(s) signing below is/are authorized to sign this ASSURANCE on behalf of the Recipient.

THE DRUG-FREE WORKPLACE ACT OF 1988 (41 U.S.C. 8103)

The Subgrantee will provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;

b. Establishing a drug-free awareness program to inform employees about:
   1. The dangers of drug abuse in the workplace;
   2. The grantee's policy of maintaining a drug-free workplace;
   3. Any available drug counseling, rehabilitation, and employee assistance programs;
   4. The penalties that may be imposed upon employees for drug violations occurring in the workplace;
   5. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

c. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—
   1. Abide by the terms of the statement;
   2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;

d. Notifying the agency within ten days after receiving notice under subparagraph (c)(2) from an employee or otherwise receiving actual notice of such conviction;

e. Taking one of the following actions, within 30 days of receiving notice under subparagraph (c)(2), with respect to any employee who is so convicted—
   1. Taking appropriate personnel action against such an employee, up to and including termination;
   2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

f. Making a good faith effort to continue to maintain a drug-free workplace through implementation of all of the paragraphs above.

POLITICAL ACTIVITY (HATCH ACT)

(applies to all subrecipients as well as States)

The State will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

CERTIFICATION REGARDING FEDERAL LOBBYING

(applies to all subrecipients as well as States)

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

RESTRICTION ON STATE LOBBYING
(applies to subrecipients as well as States)

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION
(applies to all subrecipients as well as States)

INSTRUCTIONS FOR PRIMARY TIER PARTICIPANT CERTIFICATION (STATES)

1. By signing and submitting this proposal, the prospective primary tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective primary tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary tier participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
4. The prospective primary tier participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary tier participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded,** as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (*https://www.sam.gov/*).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate the transaction for cause or default.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS—PRIMARY TIER COVERED TRANSACTIONS

1. The prospective primary tier participant certifies to the best of its knowledge and belief, that it and its principals:
    a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
    b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
    d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Where the prospective primary tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

INSTRUCTIONS FOR LOWER TIER PARTICIPANT CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded,** as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (*https://www.sam.gov/*).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION—LOWER TIER COVERED TRANSACTIONS

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

BUY AMERICA
(applies to subrecipients as well as States)

The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.

CERTIFICATION ON CONFLICT OF INTEREST
(applies to subrecipients as well as States)

GENERAL REQUIREMENTS

No employee, officer, or agent of a State or its subrecipient who is authorized in an official capacity to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting, or approving any subaward, including contracts or subcontracts, in connection with this grant shall have, directly or indirectly, any financial or personal interest in any such subaward. Such a financial or personal interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or personal interest in or a tangible personal benefit from an entity considered for a subaward. Based on this policy:

1. The recipient shall maintain a written code or standards of conduct that provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents.
    a. The code or standards shall provide that the recipient's officers, employees, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from present or potential subawardees, including contractors or parties to subcontracts.
    b. The code or standards shall establish penalties, sanctions, or other disciplinary actions for violations, as permitted by State or local law or regulations.
2. The recipient shall maintain responsibility to enforce the requirements of the written code or standards of conduct.

DISCLOSURE REQUIREMENTS

No State or its subrecipient, including its officers, employees, or agents, shall perform or continue to perform under a grant or cooperative agreement, whose objectivity may be impaired because of any related past, present, or currently planned interest, financial or otherwise, in organizations regulated by NHTSA or in organizations whose interests may be substantially affected by NHTSA activities. Based on this policy:

1. The recipient shall disclose any conflict of interest identified as soon as reasonably possible, making an immediate and full disclosure in writing to NHTSA. The disclosure shall include a description of the action which the recipient has taken or proposes to take to avoid or mitigate such conflict.
2. NHTSA will review the disclosure and may require additional relevant information from the recipient. If a conflict of interest is found to exist, NHTSA may (a) terminate the award, or (b) determine that it is otherwise in the best interest of NHTSA to continue the award and include appropriate provisions to mitigate or avoid such conflict.
3. Conflicts of interest that require disclosure include all past, present, or currently planned organizational, financial, contractual, or other interest(s) with an organization regulated by NHTSA or with an organization whose interests may be substantially affected by NHTSA activities, and which are related to this award. The interest(s) that require disclosure include those of any recipient, affiliate, proposed consultant, proposed subcontractor, and key personnel of any of the above. Past interest shall be limited to within one year of the date of award. Key personnel shall include any person owning more than a 20 percent interest in a recipient, and the officers, employees or agents of a recipient who are responsible for making a decision or taking an action under an award where the decision or action can have an economic or other impact on the interests of a regulated or affected organization.

PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE
(applies to all subrecipients as well as States)

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

POLICY ON SEAT BELT USE

In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information and resources on traffic safety programs and policies for employers, please contact the Network of Employers for Traffic Safety (NETS), a public-private partnership dedicated to improving the traffic safety practices of employers and employees. You can download information on seat belt programs, costs of motor vehicle crashes to employers, and other traffic safety initiatives at www.trafficsafety.org. The NHTSA website (www.nhtsa.gov) also provides information on statistics, campaigns, and program evaluations and references.

POLICY ON BANNING TEXT MESSAGING WHILE DRIVING

In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or rented vehicles, Government-owned, leased or rented vehicles, or privately-owned vehicles when on official Government business or when performing any work on or behalf of the Government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

INSTRUCTIONS FOR ADDING OR UPDATING GEMS USERS

1. Each agency is allowed a total of **FIVE (5) GEMS Users**.
2. GEMS Users listed on this form will be authorized to login to GEMS to complete and submit Quarterly Performance Reports (QPRs) and reimbursement claims.
3. Complete the form if adding, removing or editing a GEMS user(s).
4. The Grant Director must sign this form and return it with the Grant Agreement.

GRANT DETAILS	
Grant Number:	PT24199
Agency Name:	South Lake Tahoe Police Department
Grant Title:	Selective Traffic Enforcement Program (STEP)
Agreement Total:	$41,000.00
Authorizing Official:	Cristi Creegan
Fiscal Official:	Lori Marino
Grant Director:	Doug Sentell

CURRENT GEMS USER(S)

1. Travis Cabral
Title: Sergeant
Phone: (530) 542-6100
Email: tcabral@cityofslt.us
Media Contact: No

2. Lori Marino
Title: Principal Management Analyst
Phone: (530) 542-7410
Email: lmarino@cityofslt.us
Media Contact: No

3. Devin Middlebrook
Title: Mayor
Phone: (530) 208-8199
Email: dmiddlebrook@cityofslt.us
Media Contact: No

4. Doug Sentell
Title: Sergeant
Phone: (530) 542-6100
Email: dsentell@cityofslt.us
Media Contact: Yes

5. David Stevenson
Title: Chief
Phone: (530) 542-6100
Email: dstevenson@cityofslt.us
Media Contact: No

Complete the below information if adding, removing or editing a GEMS user(s)

GEMS User 1 Add/Change ☐ Remove Access ☑	Add as a media contact? Yes ☐ No ☑
Travis Cabral	Sergeant
Name	Job Title
tcabral@cityofslt.us	N/A
Email address	Phone number
GEMS User 2 Add/Change ☑ Remove Access ☐	Add as a media contact? Yes ☑ No ☐
Sharee Juarez	Communications Specialist
Name	Job Title
sjuarez@cityofslt.us	530-542-7950
Email address	Phone number
GEMS User 3 Add/Change ☐ Remove Access ☑	Add as a media contact? Yes ☐ No ☑
Devin Middlebrook	Mayor (former)
Name	Job Title
dmiddlebrook@cityofslt.us	N/A
Email address	Phone number
GEMS User 4 Add/Change ☑ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Christi Creegan	Mayor
Name	Job Title
ccreegan@cityofslt.us	530-318-9055
Email address	Phone number
GEMS User 5 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
Form completed by: Doug Sentell	Date: Oct 9, 2023
As a signatory I hereby authorize the listed individual(s) to represent and have GEMS user access.	
Doug Sentell	
Signature	Name
Oct 9, 2023	Grant Director
Date	Title

Grant Agreement - PT24199

Final Audit Report 2023-10-10

Created:	2023-10-06
By:	Mikaela Knowles (Mikaela.Knowles@ots.ca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZj6NRO8fbhPSBWltxkokrMkv2jkTweNz

"Grant Agreement - PT24199" History

Document created by Mikaela Knowles (Mikaela.Knowles@ots.ca.gov)
2023-10-06 - 2:53:46 PM GMT

Document emailed to Doug Sentell (dsentell@cityofslt.us) for signature
2023-10-06 - 2:53:54 PM GMT

Email viewed by Doug Sentell (dsentell@cityofslt.us)
2023-10-09 - 8:54:11 PM GMT

Document e-signed by Doug Sentell (dsentell@cityofslt.us)
Signature Date: 2023-10-09 - 9:01:14 PM GMT - Time Source: server

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2023-10-09 - 9:01:42 PM GMT

Signer dsentell@cityofslt.us entered name at signing as Doug Sentell
2023-10-09 - 9:02:17 PM GMT

Document e-signed by Doug Sentell (dsentell@cityofslt.us)
Signature Date: 2023-10-09 - 9:02:19 PM GMT - Time Source: server

Document emailed to Lori Marino (lmarino@cityofslt.us) for signature
2023-10-09 - 9:02:21 PM GMT

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2023-10-10 - 6:36:14 PM GMT

Document e-signed by Lori Marino (lmarino@cityofslt.us)
Signature Date: 2023-10-10 - 6:37:21 PM GMT - Time Source: server

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Document emailed to ccreegan@cityofslt.us for signature
2023-10-10 - 6:37:22 PM GMT

Email viewed by ccreegan@cityofslt.us
2023-10-10 - 7:41:40 PM GMT

Signer ccreegan@cityofslt.us entered name at signing as Cristi Creegan
2023-10-10 - 7:41:59 PM GMT

Document e-signed by Cristi Creegan (ccreegan@cityofslt.us)
Signature Date: 2023-10-10 - 7:42:01 PM GMT - Time Source: server

Document emailed to Carolyn Vu (Carolyn.Vu@ots.ca.gov) for signature
2023-10-10 - 7:42:03 PM GMT

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2023-10-10 - 8:15:31 PM GMT

Document e-signed by Carolyn Vu (Carolyn.Vu@ots.ca.gov)
Signature Date: 2023-10-10 - 8:15:45 PM GMT - Time Source: server

Document emailed to Barbara Rooney (barbara.rooney@ots.ca.gov) for signature
2023-10-10 - 8:15:47 PM GMT

Email viewed by Barbara Rooney (barbara.rooney@ots.ca.gov)
2023-10-10 - 11:03:44 PM GMT

Document e-signed by Barbara Rooney (barbara.rooney@ots.ca.gov)
Signature Date: 2023-10-10 - 11:03:55 PM GMT - Time Source: server

Agreement completed.
2023-10-10 - 11:03:55 PM GMT

Application Information

Application No: 24-004741

Application Type:	STEP	Agency (City or County):	South Lake Tahoe	Department (Police Dept, DA Office, etc):	South Lake Tahoe Police Department
Authorized Representative:	Doug Sentell	DUNS/SAM Number:	FG8YLL3CQ3J1	DUNS/SAM Expiration Date:	
DUNS/SAM Registered Address:	1901 Lisa Maloff Way	DUNS/SAM City:	South Lake Tahoe	DUNS/SAM ZIP+4:	96150-7009

Application Summary

Grants Made Easy Application Titles and Descriptions are pre-populated. For General Grants, provide the Application Title and Application Description.

Application Title:

Selective Traffic Enforcement Program (STEP)

Application Description:

Best practice strategies will be conducted to reduce the number of persons killed and injured in crashes involving alcohol and other primary crash factors. The funded strategies may include impaired driving enforcement, enforcement operations focusing on primary crash factors, distracted driving, night-time seat belt enforcement, special enforcement operations encouraging motorcycle safety, enforcement and public awareness in areas with a high number of bicycle and pedestrian crashes, and educational programs. These strategies are designed to earn media attention thus enhancing the overall deterrent effect.

Problem Statement:

The City of South Lake Tahoe is very unique compared to most California cities. South Lake Tahoe shares a border with Nevada that has five large casinos within the first mile that offer 24 hour alcohol and entertainment. The city has a population of 23,000 with approximately 2.2 million visitors to the Lake Tahoe Basin annually. Motorists in South Lake Tahoe also deal with extreme weather conditions in the winter months and heavily congested vehicle traffic in the summer months. The city also has a large portion of the population and its visitors walking, biking, or riding motorcycles during all months of the year.

The South Lake Tahoe Police department does not have a dedicated traffic enforcement unit. We use grant funding to conduct dedicated traffic enforcement operations. We have one traffic motor officer who works traffic enforcement on a part time basis around their normal patrol officer beat functions and calls for service; They cannot currently dedicate their full focus to traffic enforcement. Additionally, the season weather prohibits the motor officer from using the motor during the fall/winter months.

In 2020, the city endured the unprecedented issues caused by Covid-19. These issues included complete travel bans, the premature shut down of our ski industry, lodging bans, and a segment of people too afraid to travel. As a city built on the tourist/travel economy, the number of visitors to South Lake Tahoe dramatically reduced, oftentimes causing empty roadways. As we transitioned out of Covid restrictions, we saw a dramatic rise in visitors return to the area. These visitors brought back the congestion and conflict between vehicle, pedestrian, and bicycle traffic.Our fiscal year 21/22 traffic statistics showed an increase in several areas that reflected the increase in visitor population.

Traffic Data Summary:

City Applicants: Complete the table below using the most current local data and update the 20XX years in the table (do not use the OTS Rankings or SWITRS).

Crash Type	**2020**				**2021**				**2022**			
	Crashes		**Victims**		**Crashes**		**Victims**		**Crashes**		**Victims**	
Fatal	1		1		1		1		1		1	
Injury	48		57		43		58		66		94	
	Fatal	**Injury**	**Killed**	**Injured**	**Fatal**	**Injury**	**Killed**	**Injured**	**Fatal**	**Injury**	**Killed**	**Injured**
Alcohol - Involved	0	12	0	15	1	9	1	14	0	13	0	17
Hit & Run	0	5	0	5	0	4	0	4	0	3	0	4
Nighttime (2100-0259 hours)	0	5	0	5	0	2	0	2	0	11	0	15
Top 3 Primary Crash Factors									**Fatal**	**Injury**	**Killed**	**Injured**
#1 -	Unsafe Speed								0	17	0	25
#2 -	Right of Way Violations								0	0	0	0
#3 -	Improper Turning Movements								0	11	0	15

Proposed Solution

Equity:

This agency does not discriminate against any group and prides itself on treating people equally under the law. People in lower income brackets are often without their own transportation. In South Lake Tahoe, this causes many in this group to walk, bike, or use rented electric scooters. The agency would use OTS grant funds to address the traffic conflicts that often occur between pedestrians, bicyclists, and scooter users. While the city has many accessible walking/bike paths, those same paths intersect roadways. We would use the funds to help reduce injuries and fatalities in this affected group. We would conduct traffic enforcement details along the major routes the affected groups frequently use to get to work.

Strategies:

The agency will conduct directed enforcement activities to combat the DUI and traffic issues. These will include DUI saturation patrols targeting impaired driving, bicycle and pedestrian safety enforcement details targeting both vehicle drivers as well as bicycle and pedestrian operators The agency will also conduct enforcement on . The agency will conduct warrant sweeps to hold offenders accountable for their actions. The agency will address motorcycle safety with enforcement details targeting unsafe driving around and by motorcycles. The agency will also put officers through DUI-related trainings to provide them with the skills to better document the DUI arrests, as well as assist in the successful prosecution of DUI cases.

Agency Qualifications:

1. Are staffing levels adequate to complete the requested activities? Yes. Our agency has recovered from a deficit of staffing due to an unprecedented amount of officers injured in the line of duty. We are only down two positions which are in process of being filled.
2. Briefly describe qualifications of both program and fiscal staff, or plans to train staff. The city staff is well versed on OTS grant procedures and reporting. This includes a specialty staff member at the city who works on the city's various grants.
3. Please indicate your agency’s contract procurement method and estimated length of time to receive an approved contract, if applicable. We have used OTS's procurement methods through its website and email.

Goals

Description
Reduce the number of persons killed in traffic crashes.
Reduce the number of persons injured in traffic crashes.
Reduce the number of pedestrians killed in traffic crashes.
Reduce the number of pedestrians injured in traffic crashes.
Reduce the number of bicyclists killed in traffic crashes.
Reduce the number of bicyclists injured in traffic crashes.
Reduce the number of persons killed in alcohol-involved crashes.
Reduce the number of persons injured in alcohol-involved crashes.
Reduce the number of persons killed in drug-involved crashes.
Reduce the number of persons injured in drug-involved crashes.
Reduce the number of persons killed in alcohol/drug combo-involved crashes.
Reduce the number of persons injured in alcohol/drug combo-involved crashes.
Reduce the number of motorcyclists killed in traffic crashes.
Reduce the number of motorcyclists injured in traffic crashes.
Reduce hit & run fatal crashes.
Reduce hit & run injury crashes.
Reduce nighttime (2100 - 0259 hours) fatal crashes.
Reduce nighttime (2100 - 0259 hours) injury crashes.
Custom Description

Objectives

Included	Target Number	Description
Yes	1	Issue a press release announcing the kick-off of the grant by November 15. The kick-off press releases and media advisories, alerts, and materials must be emailed to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, for approval 14 days prior to the issuance date of the release.
Yes	1	Participate and report data (as required) in the following campaigns; Quarter 1: National Walk to School Day, National Teen Driver Safety Week, NHTSA Winter Mobilization; Quarter 3: National Distracted Driving Awareness Month, National Motorcycle Safety Month, National Bicycle Safety Month, National Click it or Ticket Mobilization; Quarter 4: NHTSA Summer Mobilization, National Child Passenger Safety Week, and California's Pedestrian Safety Month.

Yes	12	Develop (by December 31) and/or maintain a “DUI BOLO” program to notify patrol and traffic officers to be on the lookout for identified repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. Updated DUI BOLOs should be distributed to patrol and traffic officers monthly.
Yes	3	Send law enforcement personnel to the NHTSA Standardized Field Sobriety Testing (SFST) (minimum 16 hours) POST-certified training.
Yes	2	Send law enforcement personnel to the NHTSA Advanced Roadside Impaired Driving Enforcement (ARIDE) 16 hour POST-certified training.
Yes	1	Send law enforcement personnel to the Drug Recognition Expert (DRE) training.
Yes	1	Send law enforcement personnel to the DRE Recertification training.
No	0	Send law enforcement personnel to SFST Instructor training.
No	0	Send law enforcement personnel to DRE Instructor training.
No	0	Conduct DUI/DL Checkpoints. A minimum of 1 checkpoint should be conducted during the NHTSA Winter Mobilization and 1 during the Summer Mobilization. To enhance the overall deterrent effect and promote high visibility, it is recommended the grantee issue an advance press release and conduct social media activity for each checkpoint. For combination DUI/DL checkpoints, departments should issue press releases that mention DL's will be checked at the DUI/DL checkpoint. Signs for DUI/DL checkpoints should read "DUI/Driver's License Checkpoint Ahead." OTS does not fund or support independent DL checkpoints. Only on an exception basis and with OTS pre-approval will OTS fund checkpoints that begin prior to 1800 hours. When possible, DUI/DL Checkpoint screeners should be DRE- or ARIDE-trained.
Yes	8	Conduct DUI Saturation Patrol operation(s).
No	0	Conduct Court Sting operation(s) to cite individuals driving to and from the court after having their driver's license suspended or revoked.
Yes	2	Conduct Warrant Service operation(s) targeting multiple DUI offenders who fail to appear in court.
No	0	Conduct Stakeout operation(s) that employ police officers to observe the "worst of the worst" repeat DUI offender probationers with suspended or revoked driver licenses.
Yes	5	Conduct Traffic Enforcement operation(s), including but not limited to, primary crash factor violations.
Yes	2	Conduct highly publicized Distracted Driving enforcement operation(s) targeting drivers using hand held cell phones and texting.
Yes	2	Conduct highly publicized Motorcycle Safety enforcement operation(s) in areas or during events with a high number of motorcycle incidents or crashes resulting from unsafe speed, DUI, following too closely, unsafe lane changes, improper turning, and other primary crash factor violations by motorcyclists and other drivers.
No	0	Conduct Nighttime (1800-0559) Click It or Ticket enforcement operation(s).
Yes	4	Conduct highly publicized pedestrian and/or bicycle enforcement operation(s) in areas or during events with a high number of pedestrian and/or bicycle crashes resulting from violations made by pedestrians, bicyclists, and drivers.
Yes	1	Conduct Traffic Safety educational presentation(s) with an effort to reach community members. Note: Presentation(s) may include topics such as distracted driving, DUI, speed, bicycle and pedestrian safety, seat belts and child passenger safety.
No	0	Conduct Know Your Limit campaigns with an effort to reach members of the community.
No	0	Participate in highly visible collaborative DUI Enforcement operations.
No	0	Participate in highly visible collaborative Traffic Enforcement operations.
Yes	1	Send law enforcement personnel to DUI Checkpoint Planning and Management training.
No	0	Conduct specialized enforcement operations focusing specifically on street racing and sideshow activities.
Yes	2	Conduct Illegal Street Racing and Modified Vehicle training classes for law enforcement personnel.
No	0	Identify straight time personnel and report on activities completed. Include any vacancies or staff changes that have occurred.

Included	Target Number	Custom Description

Method of Procedure

Phase 1 - Program Preparation:

- The department will develop operational plans to implement the “best practice” strategies outlined in the objectives section.
- All training needed to implement the program should be conducted in the first quarter.
- All grant related purchases needed to implement the program should be made in the first quarter.
- In order to develop/maintain the “DUI BOLOs,” research will be conducted to identify the “worst of the worst” repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. The DUI BOLO may include the driver’s name, last known address, DOB, description, current license status, and the number of times suspended or revoked for DUI. DUI BOLOs should be updated and distributed to traffic and patrol officers at least monthly.
- Implementation of the STEP grant activities will be accomplished by deploying personnel at high crash locations.

Media Requirements Issue a press release approved by the OTS PIO announcing the kick-off of the grant by November 15, but no sooner than October 1. The kick-off release must be approved by the OTS PIO and only distributed after the grant is fully signed and executed. If you are unable to meet the November 15 deadline to issue a kick-off press release, communicate reasons to your OTS coordinator and OTS PIO.

Phase 1 - Program Preparation Addendum:

Phase 2 - Program Operations:

- The department will work to create media opportunities throughout the grant period to call attention to the innovative program strategies and outcomes.

Media Requirements

The following requirements are for all grant-related activities:

- Send all media advisories, alerts, videos, graphics, artwork, posters, radio/PSA/video scripts, storyboards, digital and/or print educational materials for grant-related activities to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS coordinator. Optimum lead time would be 7 days before the scheduled release but at least 3 business days prior to the scheduled release date for review and approval is appreciated.
- The OTS PIO is responsible for the approval of the design and content of materials. The agency understands OTS PIO approval is not authorizing approval of budget expenditure or cost. Any cost approvals must come from the Coordinator.
- Pre-approval is not required when using any OTS-supplied template for media advisories, press releases, social media graphics, videos or posts, or any other OTS-supplied educational material. However, copy the OTS PIO at pio@ots.ca.gov and your OTS coordinator when any material is distributed to the media and public, such as a press release, educational material, or link to social media post. The OTS-supplied kick-off press release templates and any kickoff press releases are an exception to this policy and require prior approval before distribution to the media and public.
- If an OTS-supplied template, educational material, social media graphic, post or video is substantially changed, the changes shall be sent to the OTS PIO at pio@ots.ca.gov for approval and copy to your OTS Coordinator. Optimum lead time would be 7 days prior to the scheduled release date, but at least 3 business days prior to the scheduled release date for review and approval is appreciated.
- Press releases, social media posts and alerts on platforms such as NextDoor and Nixle reporting immediate and time-sensitive grant activities (e.g. enforcement operations, day of event highlights or announcements, event invites) are exempt from the OTS PIO approval process. The OTS PIO and your Coordinator should still be notified when the grant-related activity is happening (e.g. car seat checks, bicycle rodeos, community presentations, DUI checkpoints, etc.).
- Enforcement activities such as warrant and probation sweeps, court stings, etc. that are embargoed or could impact operations by publicizing in advance are exempt from the PIO approval process. However, announcements and results of activities should still be copied to the OTS PIO at pio@ots.ca.gov and your Coordinator with embargoed date and time or with “INTERNAL ONLY: DO NOT RELEASE” message in subject line of email.
- Any earned or paid media campaigns for TV, radio, digital or social media that are part of a specific grant objective, using OTS grant funds, or designed and developed using contractual services by a subgrantee, requires prior approval. Please send to the OTS PIO at pio@ots.ca.gov for approval and copy your grant coordinator at least 3 business days prior to the scheduled release date.
- Social media posts highlighting state or national traffic safety campaigns (Distracted Driving Month, Motorcycle Safety Awareness Month, etc.), enforcement operations (DUI checkpoints, etc.), or any other grant-related activity such as Bicycle rodeos, presentations, or events, are highly encouraged but do not require prior approval.
- Submit a draft or rough-cut of all digital, printed, recorded or video material (brochures, posters, scripts, artwork, trailer graphics, digital graphics, social posts connected to an earned or paid media campaign grant objective) to the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator for approval prior to the production or duplication.
- Use the following standard language in all press, media, and printed materials, space permitting: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- Space permitting, include the OTS logo on all grant-funded print materials, graphics and paid or earned social media campaign grant objective; consult your OTS Coordinator for specifics, format-appropriate logos, or if space does not permit the use of the OTS logo.
- Email the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator at least 21 days in advance, or when first confirmed, a short description of any significant grant-related traffic safety event or program, particularly events that are highly publicized beforehand with anticipated media coverage so OTS has sufficient notice to arrange for attendance and/or participation in the event. If unable to attend, email the OTS PIO and coordinator brief highlights and/or results, including any media coverage (broadcast, digital, print) of event within 7 days following significant grant-related event or program. Media and program highlights are to be reflected in QPRs.
- Any press releases, work plans, scripts, storyboards, artwork, graphics, videos or any educational or informational materials that received PIO approval in a prior grant year needs to be resubmitted for approval in the current grant year.
- Contact the OTS PIO or your OTS Coordinator for consultation when changes from any of the above requirements might be warranted.

Phase 2 - Program Operations Addendum:

Phase 3 - Data Collection:

1. Prepare and submit grant claim invoices (due January 30, April 30, July 30, and October 30)

2. Prepare and submit Quarterly Performance Reports (QPR) (due January 30, April 30, July 30, and October 30)

- Collect and report quarterly, appropriate data that supports the progress of goals and objectives.
- Provide a brief list of activity conducted, procurement of grant-funded items, and significant media activities. Include status of grant-funded personnel, status of contracts, challenges, or special accomplishments.
- Provide a brief summary of quarterly accomplishments and explanations for objectives not completed or plans for upcoming activities.
- Collect, analyze and report statistical data relating to the grant goals and objectives.

Phase 3 - Data Collection Addendum:

Budget

Personnel Costs

Hourly Rates - When requesting hours for personnel, enter them as straight time or overtime (for Enforcement Overtime, please use section below) and include the amount of hours that they will spend on grant operations. Example: Personnel getting paid 100% by the grant working a full year at $41.00 per hour would be entered as Straight time, 2080 Units, $41.00 Unit cost or Rate, and 100% Percent Paid by Grant. This gives a total of $85,280.00 for the year.

Benefits – If requesting benefits for personnel, enter all benefits as a separate line item for each. Start the Item Name with the word 'Benefits', enter the corresponding straight time or overtime total amount in the Unit Cost or Rate, and enter the Benefits Rate to have the system calculate Benefit Costs. (Unit Cost) X (Benefits Rate) = Benefit Costs. To properly relate benefits to the correct personnel line item use the Display Order field, for example use 100.0 for Display Order for the personnel line item and 100.1 for Display Order for the associated Benefits.

Display Order	Cost Category	Item Name	Position Type	Benefit Rate	Unit Cost or Rate	Units	Percent Paid by Grant	Calculated Cost to Grant
100.0	A. Personnel Costs	DUI Saturation Patrols	Overtime		$1,586.00	8	100.00%	$12,688.00
100.1	A. Personnel Costs	DUI Warrant Sweep	Overtime		$1,586.00	2	100.00%	$3,172.00
100.2	A. Personnel Costs	PCF Traffic Enforcement	Overtime		$1,586.00	5	100.00%	$7,930.00
100.3	A. Personnel Costs	Cellphone/Texting Enforcement	Overtime		$1,586.00	2	100.00%	$3,172.00
100.4	A. Personnel Costs	Motorcycle/Scooter Safety	Overtime		$1,586.00	2	100.00%	$3,172.00
100.5	A. Personnel Costs	Pedestrian/Bicycle Safety Enforcment	Overtime		$1,586.00	4	100.00%	$6,344.00

Display Order	Cost Category	Enforcement Activity	Item Name	Unit Cost or Rate	Units	Calculated Cost to Grant

Personnel Costs: $36,478.00

Travel Expenses

Display Order	Cost Category	Item Name	Unit Cost or Rate	Units	Calculated Cost to Grant
200.0	B. Travel Expenses	In State Travel	$638.48	2	$1,276.96
200.1	B. Travel Expenses	In State Travel	$638.48	2	$1,276.96

Travel Expenses: $2,553.92

Contractual Services

Do not include brand names or names of specific organizations.

Display Order	Cost Category	Item Name	Unit Cost or Rate	Units	Calculated Cost to Grant
300.0	C. Contractual Services	None	$0.00	1	$0.00

Contractual Services: $0.00

Equipment (must have Unit Cost of at least $5,000)

Do not include brand names or names of specific organizations.

Please include an equipment quote in the Upload Documents Tab

Display Order	Cost Category	Item Name	Unit Cost or Rate	Units	Calculated Cost to Grant
400.0	D. Equipment	Traffic Data Collection Device and Software	$6,500.00	1	$6,500.00

Equipment: $6,500.00

Other Direct Costs (must have Unit Cost of less than $5,000, including tax and shipping)

Do not include brand names or names of specific organizations.

NOTE : When creating a new "Other Direct Cost" budget item, the *Standard Language Item* drop down list may not be available. When this is the case, complete only the required fields and save the budget item. Once saved, select the *Edit* button (pencil icon); the *Standard Language Item* drop down list will be available for selection. Alternatively, if not requesting a *Standard Language Item,* please utilize the *Custom Narrative* field to enter an appropriate narrative.

Display Order	Cost Category	Item Name	Unit Cost or Rate	Units	Calculated Cost to Grant
500.0	E. Other Direct Costs	None	$0.00	1	$0.00

Other Direct Costs: $0.00

Indirect Costs

Item Name should indicate the % and the Cost Category for Indirect Costs e.g. 15% of Salaries and Benefits. Use the Percent Paid by Grant for the Indirect Rate and the Unit Cost or Rate field to indicate the total amount for which Indirect Costs will be claimed. The system will calculate the Cost to Grant.

Indirect Cost Rate must be supported by a federally approved indirect cost rate letter and uploaded to the application.

Display Order	Cost Category	Item Name	Indirect Rate	Amount Subject to Indirect	Calculated Cost to Grant
600.0	F. Indirect Costs	None			$0.00

Indirect Costs: $0.00

Total Requested Funding: $45,531.92

Narrative Review

Review and update Narrative for Budget Items

Cost Category	Item	Narrative	Custom Narrative
A. Personnel Costs	DUI Saturation Patrols		
A. Personnel Costs	DUI Warrant Sweep		
A. Personnel Costs	PCF Traffic Enforcement		
A. Personnel Costs	Cellphone/Texting Enforcement		
A. Personnel Costs	Motorcycle/Scooter Safety		
A. Personnel Costs	Pedestrian/Bicycle Safety Enforcment		
B. Travel Expenses	In State Travel	Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. Anticipated travel may include (enter other known conferences or required events). All conferences, seminars or training not specifically identified in the Budget Narrative must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds.	
B. Travel Expenses	In State Travel	Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. Anticipated travel may include (enter other known conferences or required events). All conferences, seminars or training not specifically identified in the Budget Narrative must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds.	
C. Contractual Services	None	None	
D. Equipment	Traffic Data Collection Device and Software		Device for addressing citizen concerns of speed and traffic in targeted areas. The device will record and report traffic speeds and volume.
E. Other Direct Costs	None	None	
F. Indirect Costs	None	None	

Upload Documents (Optional)

Please try to include all information in the application itself, but if necessary, upload additional documents here

Document Name	Update Date/Time

Evaluation, Support, and Submittal

Evaluation, Support, and Submittal

Method of Evaluation:

Using the data compiled during the grant, the Grant Director will complete the “Final Evaluation” section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant’s accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

Administrative Support:

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

Total Requested Funding:

$45,531.92

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 11

Agenda Item: City Salary Table Amendments - California Minimum Wage Increase

Executive Summary: The proposed resolution aims to implement a minimum wage of $16.00 per hour for all City positions, as mandated by California law. This will come into effect from January 1, 2024. To comply with this requirement, the hourly rates for several temporary, seasonal, and part-time position classifications would be revised as follows: a) incorporating the mandated $16.00 minimum wage, and b) maintaining the appropriate separation between different steps in the approved salary ranges and classifications within the same series. In October of this year, the State announced that the minimum wage would increase to $16.00, starting January 1, 2024. It is mandatory to update the City Salary Table to reflect the latest minimum wage increase, and CalPERS also requires posting the current City Salary Table.

Requested Action / Suggested Motions: Pass Resolution raising the minimum wage for City employees to $16.00, effective January 1, 2024, as required by state law.

Responsible Staff Member: Ember Buckman, Human Resources Manager

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

01-Staff Report - City Salary Table Amendments.docx
02-Resolution - City Salary Table Amendments.docx
03-City of South Lake Tahoe Salary Table December 6 2023 (EXH A to Reso).pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: City Salary Table Amendments - Minimum Wage Increase

Location: Citywide

Responsible Staff Member: Ember Buckman, Human Resources Manager (530) 542-6050

Background: The State of California will increase the minimum wage from $15.50 to $16.00 an hour effective January 1, 2024.

The City of South Lake Tahoe has seasonal or part time temporary positions that will fall below the $16.00 minimum wage. The City Salary Table must be updated to reflect the minimum wage increase.

Issue and Discussion: The City hires seasonal and temporary employees every year for various roles such as Cashier, Park Attendant I, Recreation Leader I, Pool Lifeguard, and Park Steward. These employees assist with the operational needs of recreational and parks facilities throughout the year.

Additionally, departments may hire interns who are new to a particular field to provide practical work experience and general assistance on an as-needed basis. The number of interns hired each year varies from 1 to 5 depending on departmental needs.

Effective January 1, 2024, the following seasonal or part-time temporary classifications will need to be adjusted to ensure compliance with California minimum wage: Cashier I, Park Attendant I, Pool Lifeguard, Recreation Leader I, Park Steward, and Intern.

To prevent compaction and overlap between classification series, Cashier II, Head Cashier, Park Attendant II, and Recreation Leader II will receive the same pay increase.

CASHIER1	Current	New		CASHIER2	Current	New		HEADCASHR	Current	New
9000/9927/01	15.5000	16.0000		9000/9951/01	16.4702	17.0000		9000/9971/01	17.4788	18.0416
9000/9927/02	16.2750	16.8000		9000/9951/02	17.2937	17.8500		9000/9971/02	18.3528	18.9436
9000/9927/03	17.0888	17.6400		9000/9951/03	18.1583	18.7400		9000/9971/03	19.2704	19.8900
9000/9927/04	17.9432	18.5220		9000/9951/04	19.0663	19.6770		9000/9971/04	20.2339	20.8845
9000/9927/05	18.8403	19.4481		9000/9951/05	20.0196	20.6600		9000/9971/05	21.2456	21.9287
9000/9927/06	19.7824	20.4205		9000/9951/06	21.0206	22.0716		9000/9971/06	22.3079	23.0251
PARKATTEN1	Current	New		PARKATTEN2	Current	New		PKSTEWARD	Current	New
9000/9970/01	15.5000	16.0000		9000/9932/01	16.0000	16.5152		9000/9966/01	15.5000	16.0000
				9000/9932/02	16.8000	17.3409		9000/9966/02	16.2750	16.8000
				9000/9932/03	17.6400	18.2080		9000/9966/03	17.0888	17.6400
				9000/9932/04	18.5220	19.1184		9000/9966/04	17.9432	18.5220
				9000/9932/05	19.4481	20.0740		9000/9966/05	18.8403	19.4481
				9000/9932/06	20.4205	21.0780		9000/9966/06	19.7824	20.4205
RECLEADER1	Current	New		RECLD2	Current	New		LIFEGUARD	Current	New
9000/9908/01	15.5000	16.0000		9000/9984/01	16.4702	17.0000		9000/9976/01	15.5000	16.0000
9000/9908/02	16.2750	16.8000		9000/9984/02	17.2937	17.8500		9000/9976/02	16.2750	16.8000
9000/9908/03	17.0888	17.6400		9000/9984/03	18.1583	18.7400		9000/9976/03	17.0888	17.6400
9000/9908/04	17.9432	18.5220		9000/9984/04	19.0663	19.6770		9000/9976/04	17.9432	18.5220
9000/9908/05	18.8403	19.4481		9000/9984/05	20.0196	20.6600		9000/9976/05	18.8403	19.4481
9000/9908/06	19.7824	20.4205		9000/9984/06	21.0206	22.0716		9000/9976/06	19.7824	20.4205
INTERN	Current	New								
9900/9943/01	15.5000	16.0000								
9900/9943/02	16.2750	16.8000								
9900/9943/03	19.2441	19.8642								
9900/9943/04	20.2062	20.8574								
9900/9943/05	21.2166	21.9000								

Additionally, CalPERS requires annual posting of a City Salary Table, therefore we are bringing forward the full salary table for approval.

To ensure consistency and to remain competitive in the labor market, salary adjustments will be made to the seasonal positions that mirror regular full-time positions.

Financial Implications: The total cost of the proposed minimum wage adjustments across the entire City organization is estimated at approximately $20,000.

Environmental Considerations: The Minimum Wage Increase is not a project requiring review under the California Environmental Quality Act (CEQA) under CEQA Guidelines 15378(b)(2) (personnel-related actions).

Policy Implications: The Minimum Wage Increase is consistent with California minimum wage requirements.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

December 12, 2023

Amending the City Salary Table to incorporate a mandated minimum wage increase

BACKGROUND

A. Effective January 1, 2024 the California minimum wage will increase to $16.00 per hour.

B. Changes must be made to the City Salary Table to reflect the changes to the minimum wage.

C. In order to avoid compaction and overlap, classifications within the same series will be adjusted by the same amount.

D. To ensure consistency and to remain competitive in the labor market, salary adjustments will be made to the seasonal positions that mirror regular full-time positions.

E. CalPERS requires posting of a city-wide salary table.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Amends the City Salary Table attached as Exhibit “A” to reflect the changes to minimum wage and satisfy the CalPERS requirement.
2. Authorizes any additional action be taken to implement the above.

Adopted by the City of South Lake Tahoe City Council on December 12, 2023 by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
, Mayor

Attest:

_____
Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe Salary Table REGULAR POSITIONS

CITY CLERK	Hourly	Monthly
1100/1138/01	47.8593	8,295
1100/1138/02	50.2487	8,709
1100/1138/03	52.7641	9,145
1100/1138/04	55.4009	9,602
1100/1138/05	58.1746	10,083
CITY COUNCIL	Hourly	Monthly
1100/0020/01	0	1,264
CITY TREASURER	Hourly	Monthly
1100/0030/01	0	1,264
CITY ATTORNEY	Hourly	Monthly
1200/1256/01	103.4403	17,929
CITY MANAGER	Hourly	Monthly
1200/1258/01	106.9216	18,533
CHIEF OF POLICE	Hourly	Monthly
1300/1362/01	83.0585	14,396
1300/1362/02	87.2115	15,116
1300/1362/03	91.5721	15,872
1300/1362/04	96.1507	16,666
1300/1362/05	100.9582	17,499
DIR OF DEVELOPMENT SERVICES	Hourly	Monthly
1300/1350/01	72.201	12,514
1300/1350/02	75.8115	13,140
1300/1350/03	79.6021	13,797
1300/1350/04	83.5823	14,487
1300/1350/05	87.7613	15,211
DIRECTOR OF FINANCE	Hourly	Monthly
1300/1340/01	72.7634	12,612
1300/1340/02	76.4021	13,243
1300/1340/03	80.2222	13,905
1300/1340/04	84.2334	14,600
1300/1340/05	88.4449	15,330
DIRECTOR OF PUBLIC WORKS	Hourly	Monthly
1300/1445/01	73.8949	12,808
1300/1445/02	77.5897	13,448
1300/1445/03	81.4691	14,121
1300/1445/04	85.5427	14,827
1300/1445/05	89.8197	15,568
FIRE CHIEF	Hourly	Monthly
1300/1320/01	82.2845	14,262
1300/1320/02	86.3988	14,975
1300/1320/03	90.7187	15,724
1300/1320/04	95.2547	16,510
1300/1320/05	100.0174	17,336
PARKS & REC DIRECTOR	Hourly	Monthly

1300/1420/01	70.3028	12,185
1300/1420/02	73.8184	12,795
1300/1420/03	77.5093	13,434
1300/1420/04	81.3849	14,106
1300/1420/05	85.454	14,812
ASSISTANT CITY ATTORNEY	Hourly	Monthly
1301/1240/01	68.7288	11,913
1301/1240/02	72.1652	12,508
1301/1240/03	75.7735	13,134
1301/1240/04	79.5622	13,790
1301/1240/05	83.5403	14,480
ASSISTANT CITY MANAGER	Hourly	Monthly
1301/1321/01	82.1348	14,236
1301/1321/02	86.2416	14,948
1301/1321/03	90.5536	15,695
1301/1321/04	95.0813	16,480
1301/1321/05	99.8354	17,304
ACCOUNTANT I	Hourly	Monthly
1400/1427/01	36.9515	6,404
1400/1427/02	38.7967	6,724
1400/1427/03	40.7409	7,061
1400/1427/04	42.7744	7,414
1400/1427/05	44.9171	7,785
ACCOUNTANT II	Hourly	Monthly
1400/3430/01	42.4942	7,365
1400/3430/02	44.6189	7,733
1400/3430/03	46.8498	8,120
1400/3430/04	49.1923	8,526
1400/3430/05	51.6519	8,953
ASSISTANT CITY CLERK	Hourly	Monthly
1400/1422/01	32.4159	5,618
1400/1422/02	34.0406	5,900
1400/1422/03	35.7441	6,195
1400/1422/04	37.5264	6,504
1400/1422/05	39.4071	6,830
ASSISTANT MANAGEMENT ANALYS	Hourly	Monthly
1400/1425/01	35.684	6,185
1400/1425/02	37.4711	6,494
1400/1425/03	39.3467	6,820
1400/1425/04	41.3106	7,160
1400/1425/05	43.3727	7,517
ASSOCIATE MANAGEMENT ANALYS	Hourly	Monthly
1400/1430/01	39.2395	6,801
1400/1430/02	41.2059	7,142
1400/1430/03	43.2705	7,500
1400/1430/04	45.4322	7,874
1400/1430/05	47.7019	8,268

BUILDING OFFICIAL	Hourly	Monthly
1400/1439/01	53.4956	9,272
1400/1439/02	56.167	9,735
1400/1439/03	58.9753	10,222
1400/1439/04	61.93	10,734
1400/1439/05	65.0264	11,271
CAPITAL & FACILITIES PROG MGR	Hourly	Monthly
1400/1459/01	61.2274	10,612
1400/1459/02	64.2887	11,143
1400/1459/03	67.5033	11,700
1400/1459/04	70.8783	12,285
1400/1459/05	74.4222	12,899
COMPLETE STREETS PROG MGR	Hourly	Monthly
1400/1458/01	61.2274	10,612
1400/1458/02	64.2887	11,143
1400/1458/03	67.5033	11,700
1400/1458/04	70.8783	12,285
1400/1458/05	74.4222	12,899
ENGINEERING MANAGER	Hourly	Monthly
1400/1442/01	61.2275	10,612
1400/1442/02	64.2888	11,143
1400/1442/03	67.5033	11,700
1400/1442/04	70.8784	12,285
1400/1442/05	74.4223	12,899
FINANCIAL SERVICES MANAGER	Hourly	Monthly
1400/1485/01	57.6609	9,994
1400/1485/02	60.5373	10,493
1400/1485/03	63.5686	11,018
1400/1485/04	66.742	11,568
1400/1485/05	70.083	12,147
FINANCIAL SERVICES SUPERVISOR	Hourly	Monthly
1400/3375/01	49.658	8,607
1400/3375/02	52.1347	9,036
1400/3375/03	54.7483	9,489
1400/3375/04	57.4864	9,964
1400/3375/05	60.3656	10,463
HOUSING MANAGER	Hourly	Monthly
1400/1431/01	54.6364	9,470
1400/1431/02	57.3689	9,943
1400/1431/03	60.2339	10,440
1400/1431/04	63.243	10,962
1400/1431/05	66.4088	11,510
INFORMATION SYSTEMS MANAGER	Hourly	Monthly
1400/1432/01	58.3687	10,117
1400/1432/02	61.2871	10,623
1400/1432/03	64.3514	11,154
1400/1432/04	67.569	11,711

1400/1432/05	70.9475	12,297
MAINTENANCE MANAGER	Hourly	Monthly
1400/1429/01	45.8763	7,951
1400/1429/02	48.1702	8,349
1400/1429/03	50.5787	8,766
1400/1429/04	53.1076	9,205
1400/1429/05	55.763	9,665
OFFICE MANAGER	Hourly	Monthly
1400/1418/01	41.2003	7,141
1400/1418/02	43.2641	7,499
1400/1418/03	45.4305	7,874
1400/1418/04	47.6995	8,267
1400/1418/05	50.0838	8,681
PLANNING MANAGER	Hourly	Monthly
1400/1455/01	55.5474	9,628
1400/1455/02	58.3252	10,109
1400/1455/03	61.2391	10,614
1400/1455/04	64.2995	11,145
1400/1455/05	67.5168	11,702
PRINCIPAL MANAGEMENT ANALYST	Hourly	Monthly
1400/1414/01	50.6381	8,777
1400/1414/02	53.17	9,216
1400/1414/03	55.8284	9,676
1400/1414/04	58.6199	10,160
1400/1414/05	61.5508	10,668
RECREATION MANAGER	Hourly	Monthly
1400/1461/01	44.4941	7,712
1400/1461/02	46.7189	8,097
1400/1461/03	49.0548	8,502
1400/1461/04	51.5076	8,927
1400/1461/05	54.0829	9,374
AIRPORT MANAGER	Hourly	Monthly
1401/1493/01	61.0511	10,582
1401/1493/02	64.1036	11,111
1401/1493/03	67.3089	11,666
1401/1493/04	70.6742	12,250
1401/1493/05	74.208	12,862
COMMUNICATIONS & PROJECT SPE	Hourly	Monthly
1401/1454/01	37.0604	6,423
1401/1454/02	38.9134	6,745
1401/1454/03	40.8591	7,082
1401/1454/04	42.9021	7,436
1401/1454/05	45.0472	7,808
FIRE MARSHALL	Hourly	Monthly
4201/2310/01	61.1802	10,604
4201/2310/02	64.2393	11,134
4201/2310/03	67.4512	11,691

4201/2310/04	70.8238	12,276
4201/2310/05	74.3649	12,889
H.R.ANALYST	Hourly	Monthly
1401/1423/01	40.5053	7,020
1401/1423/02	42.5306	7,371
1401/1423/03	44.6571	7,740
1401/1423/04	46.89	8,127
1401/1423/05	49.2345	8,533
HUMAN RESOURCE MANAGER	Hourly	Monthly
1401/1435/01	54.5928	9,462
1401/1435/02	57.3163	9,934
1401/1435/03	60.1864	10,432
1401/1435/04	63.1908	10,953
1401/1435/05	66.3541	11,501
PRINCIPAL H.R. ANALYST	Hourly	Monthly
1401/1482/01	48.5989	8,423
1401/1482/02	51.0234	8,844
1401/1482/03	53.5783	9,286
1401/1482/04	56.2529	9,750
1401/1482/05	59.0689	10,238
RISK MANAGER	Hourly	Monthly
1401/1462/01	44.3786	7,692
1401/1462/02	46.5975	8,076
1401/1462/03	48.9274	8,480
1401/1462/04	51.3738	8,904
1401/1462/05	53.9424	9,350
PAYROLL COORDINATOR	Hourly	Monthly
1500/1545/01	29.9452	5,190
1500/1545/02	31.4344	5,448
1500/1545/03	33.0094	5,721
1500/1545/04	34.6593	6,007
1500/1545/05	36.395	6,308
PARALEGAL	Hourly	Monthly
1501/6680/01	28.5371	4,946
1501/6680/02	29.964	5,193
1501/6680/03	31.462	5,453
1501/6680/04	33.0347	5,726
1501/6680/05	34.6867	6,012
SUSTAINABILITY COORDINATOR	Hourly	Monthly
1501/3474/01	39.1906	6,793
1501/3474/02	41.1501	7,132
1501/3474/03	43.2076	7,489
1501/3474/04	45.368	7,863
1501/3474/05	47.6364	8,256
POLICE LIEUTENANT	Hourly	Monthly
1900/1941/01	58.0419	10,060
1900/1941/02	60.9441	10,563

1900/1941/03	63.9935	11,092
1900/1941/04	67.1904	11,646
1900/1941/05	70.5573	12,229
AIRPORT MAINTENANCE SUPERVIS(	Hourly	Monthly
3100/1426/01	36.7417	6,368
3100/1426/02	38.5788	6,687
3100/1426/03	40.5078	7,021
3100/1426/04	42.5333	7,372
3100/1426/05	44.66	7,741
EQUIPMENT MECHANIC I	Hourly	Monthly
3100/3119/01	31.1282	5,395
3100/3119/02	32.6847	5,665
3100/3119/03	34.3189	5,948
3100/3119/04	36.0348	6,246
3100/3119/05	37.8366	6,558
EQUIPMENT MECHANIC II	Hourly	Monthly
3100/3121/01	34.2477	5,936
3100/3121/02	35.9573	6,232
3100/3121/03	37.7557	6,544
3100/3121/04	39.6429	6,871
3100/3121/05	41.6207	7,214
EQUIPMENT MECHANIC III	Hourly	Monthly
3100/3126/01	37.7687	6,546
3100/3126/02	39.6629	6,874
3100/3126/03	41.6454	7,218
3100/3126/04	43.7163	7,577
3100/3126/05	45.9134	7,958
FLEET CONTROL SPECIALIST	Hourly	Monthly
3100/3117/01	32.1185	5,567
3100/3117/02	33.7259	5,845
3100/3117/03	35.4111	6,137
3100/3117/04	37.1827	6,445
3100/3117/05	39.0351	6,766
MAINTENANCE TECH I	Hourly	Monthly
3100/3190/01	20.0014	3,466
3100/3190/02	20.5046	3,554
3100/3190/03	21.0209	3,643
3100/3190/04	21.5503	3,735
3100/3190/05	22.093	3,829
MAINTENANCE TECH II	Hourly	Monthly
3100/3191/01	22.5099	3,901
3100/3191/02	23.0727	3,999
3100/3191/03	23.6495	4,099
3100/3191/04	24.2408	4,201
3100/3191/05	24.8468	4,306
MAINTENANCE TECH III	Hourly	Monthly
3100/3192/01	25.9946	4,505

3100/3192/02	27.2943	4,731
3100/3192/03	28.659	4,967
3100/3192/04	30.092	5,215
3100/3192/05	31.5966	5,476
MAINTENANCE TECH IV	Hourly	Monthly
3100/3193/01	28.6027	4,957
3100/3193/02	30.0341	5,205
3100/3193/03	31.5313	5,465
3100/3193/04	33.1072	5,738
3100/3193/05	34.7619	6,025
MAINTENANCE TECH LEAD	Hourly	Monthly
3100/3195/01	34.7619	6,025
3100/3195/02	36.4954	6,325
3100/3195/03	38.3208	6,642
3100/3195/04	40.2381	6,974
3100/3195/05	42.2474	7,322
MAINTENANCE TECH V	Hourly	Monthly
3100/3194/01	31.5313	5,465
3100/3194/02	33.1072	5,738
3100/3194/03	34.7619	6,025
3100/3194/04	36.4954	6,325
3100/3194/05	38.3208	6,642
ACCOUNTING TECHNICIAN I	Hourly	Monthly
3400/3411/01	22.0641	3,824
3400/3411/02	23.1673	4,015
3400/3411/03	24.3257	4,216
3400/3411/04	25.542	4,427
3400/3411/05	26.8191	4,648
ACCOUNTING TECHNICIAN II	Hourly	Monthly
3400/3415/01	27.5852	4,781
3400/3415/02	28.9644	5,020
3400/3415/03	30.4128	5,271
3400/3415/04	31.9333	5,535
3400/3415/05	33.53	5,811
ADMINSTRATIVE ASSISTANT I	Hourly	Monthly
3400/1490/01	25.6388	4,444
3400/1490/02	26.9227	4,666
3400/1490/03	28.2631	4,898
3400/1490/04	29.6791	5,144
3400/1490/05	31.1612	5,401
ADMINISTRATIVE ASSISTANT II	Hourly	Monthly
3400/3414/01	28.1971	4,887
3400/3414/02	29.6131	5,132
3400/3414/03	31.0857	5,388
3400/3414/04	32.6433	5,658
3400/3414/05	34.2764	5,941
ADMINISTRATIVE CLERK I	Hourly	Monthly

3400/3402/01	19.8427	3,439
3400/3402/02	20.8315	3,610
3400/3402/03	21.8691	3,790
3400/3402/04	22.9655	3,980
3400/3402/05	24.1285	4,182
ADMINISTRATIVE CLERK II	Hourly	Monthly
3400/3406/01	21.8351	3,784
3400/3406/02	22.9284	3,974
3400/3406/03	24.0801	4,173
3400/3406/04	25.2807	4,381
3400/3406/05	26.5451	4,601
ASSISTANT PLANNER	Hourly	Monthly
3400/3440/01	38.4199	6,659
3400/3440/02	40.3467	6,993
3400/3440/03	42.3593	7,342
3400/3440/04	44.4789	7,709
3400/3440/05	46.7183	8,097
ASSOCIATE CIVIL ENGINEER	Hourly	Monthly
3400/3435/01	53.2413	9,228
3400/3435/02	55.9033	9,689
3400/3435/03	58.6976	10,174
3400/3435/04	61.6334	10,683
3400/3435/05	64.7108	11,216
ASSOCIATE PLANNER	Hourly	Monthly
3400/3429/01	42.2815	7,328
3400/3429/02	44.396	7,695
3400/3429/03	46.6144	8,079
3400/3429/04	48.9537	8,485
3400/3429/05	51.3911	8,907
BUILDING INSPECTOR	Hourly	Monthly
3400/3421/01	33.4291	5,794
3400/3421/02	35.1002	6,084
3400/3421/03	36.8542	6,388
3400/3421/04	38.6926	6,706
3400/3421/05	40.6303	7,042
CODE COMPLIANCE INVESTIGATOR	Hourly	Monthly
3400/3620/01	25.6011	4,437
3400/3620/02	26.8849	4,660
3400/3620/03	28.2254	4,892
3400/3620/04	29.6414	5,137
3400/3620/05	31.1235	5,394
DEVELOPMENT SERVICES TECH	Hourly	Monthly
3400/3785/01	29.9716	5,195
3400/3785/02	31.4752	5,455
3400/3785/03	33.0474	5,728
3400/3785/04	34.7013	6,014
3400/3785/05	36.4264	6,313

ENGINEERING TECHNICIAN	Hourly	Monthly
3400/3423/01	32.0277	5,551
3400/3423/02	33.6291	5,829
3400/3423/03	35.3105	6,120
3400/3423/04	37.0761	6,426
3400/3423/05	38.9299	6,747
EVENTS COORDINATOR	Hourly	Monthly
3400/3485/01	28.7244	4,978
3400/3485/02	30.1607	5,227
3400/3485/03	31.6687	5,489
3400/3485/04	33.2522	5,763
3400/3485/05	34.9148	6,051
EXECUTIVE ASST TO THE FIRE CHF	Hourly	Monthly
3400/3494/01	30.5104	5,288
3400/3494/02	32.0345	5,552
3400/3494/03	33.6299	5,829
3400/3494/04	35.3274	6,123
3400/3494/05	37.0761	6,426
FIRE SAFTY INSPECTOR I	Hourly	Monthly
3400/3452/01	29.0615	5,037
3400/3452/02	30.5146	5,289
3400/3452/03	32.0405	5,553
3400/3452/04	33.6422	5,831
3400/3452/05	35.3244	6,122
FIRE SAFTY INSPECTOR II	Hourly	Monthly
3400/3450/01	33.5014	5,806
3400/3450/02	35.1762	6,097
3400/3450/03	36.934	6,401
3400/3450/04	38.7763	6,721
3400/3450/05	40.7181	7,057
GIS ANALYST	Hourly	Monthly
3400/3220/01	48.3979	8,388
3400/3220/02	50.8247	8,809
3400/3220/03	53.3684	9,250
3400/3220/04	56.0286	9,711
3400/3220/05	58.8289	10,197
HEAD POOL LIFEGUARD	Hourly	Monthly
3400/3477/01	19.2963	3,344
3400/3477/02	20.2611	3,511
3400/3477/03	21.2741	3,687
3400/3477/04	22.3379	3,871
3400/3477/05	23.4547	4,065
HOUSING INSPECTOR	Hourly	Monthly
3400/3495/01	31.7019	5,495
3400/3495/02	33.287	5,769
3400/3495/03	34.9514	6,058
3400/3495/04	36.699	6,361

3400/3495/05	38.5339	6,679
INFORMATION SYSTEM TECHNICIAI	Hourly	Monthly
3400/3422/01	33.5894	5,822
3400/3422/02	35.2665	6,112
3400/3422/03	37.0322	6,418
3400/3422/04	38.8769	6,738
3400/3422/05	40.8203	7,075
INFORMATION SYSTEMS SUPERVISC	Hourly	Monthly
3400/1409/01	50.7617	8,798
3400/1409/02	53.2957	9,237
3400/1409/03	55.965	9,700
3400/1409/04	58.7637	10,185
3400/1409/05	61.7051	10,695
NETWORK SYSTEM ADMINISTRATO	Hourly	Monthly
3400/3428/01	43.5181	7,543
3400/3428/02	45.6893	7,919
3400/3428/03	47.9738	8,315
3400/3428/04	50.3715	8,731
3400/3428/05	52.892	9,167
PERMIT CENTER TECHNICIAN	Hourly	Monthly
3400/3780/01	29.9716	5,195
3400/3780/02	31.4752	5,455
3400/3780/03	33.0474	5,728
3400/3780/04	34.7013	6,014
3400/3780/05	36.4264	6,313
POLICE RECORDS TECHNICIAN	Hourly	Monthly
3400/4104/01	23.9246	4,146
3400/4104/02	25.1253	4,355
3400/4104/03	26.3827	4,573
3400/4104/04	27.6968	4,800
3400/4104/05	29.0845	5,041
PRINCIPAL BUILDING INSPECTOR	Hourly	Monthly
3400/3427/01	40.4404	7,009
3400/3427/02	42.4643	7,360
3400/3427/03	44.5856	7,728
3400/3427/04	46.8186	8,115
3400/3427/05	49.159	8,520
PROGRAM COORDINATOR	Hourly	Monthly
3400/3491/01	35.9931	6,238
3400/3491/02	37.7947	6,551
3400/3491/03	39.6858	6,878
3400/3491/04	41.6678	7,222
3400/3491/05	43.7489	7,583
RESIDENT ENGINEER/RES INSPCTR	Hourly	Monthly
3400/3470/01	47.8424	8,292
3400/3470/02	50.2346	8,707
3400/3470/03	52.7463	9,142

3400/3470/04	55.3836	9,599
3400/3470/05	58.1528	10,079
SENIOR BUILDING INSPECTOR	Hourly	Monthly
3400/3425/01	36.7628	6,372
3400/3425/02	38.6019	6,691
3400/3425/03	40.5334	7,025
3400/3425/04	42.5587	7,376
3400/3425/05	44.6898	7,746
SENIOR HOUSING INSPECTOR	Hourly	Monthly
3400/3496/01	34.8721	6,044
3400/3496/02	36.6158	6,346
3400/3496/03	38.4465	6,664
3400/3496/04	40.3689	6,997
3400/3496/05	42.3873	7,347
SENIOR PERMIT CENTER TECH	Hourly	Monthly
3400/3781/01	32.9562	5,712
3400/3781/02	34.604	5,998
3400/3781/03	36.3342	6,297
3400/3781/04	38.151	6,612
3400/3781/05	40.0584	6,943
SENIOR PLANNER	Hourly	Monthly
3400/3444/01	46.5033	8,060
3400/3444/02	48.8285	8,463
3400/3444/03	51.2699	8,886
3400/3444/04	53.8334	9,331
3400/3444/05	56.525	9,797
SR POLICE RECORDS TECHNICIAN	Hourly	Monthly
3400/6640/01	26.3256	4,563
3400/6640/02	27.6392	4,790
3400/6640/03	29.0287	5,031
3400/6640/04	30.4834	5,283
3400/6640/05	31.9919	5,545
SUPERVISING ACCOUNTING TECH	Hourly	Monthly
3400/3471/01	31.3584	5,435
3400/3471/02	32.9263	5,707
3400/3471/03	34.5726	5,992
3400/3471/04	36.3012	6,292
3400/3471/05	38.1163	6,606
COMMUNITY SERVICE OFFICER	Hourly	Monthly
4100/4108/01	25.2715	4,380
4100/4108/02	26.5338	4,599
4100/4108/03	27.8591	4,828
4100/4108/04	29.2565	5,071
4100/4108/05	30.7171	5,324
DISPATCHER TRAINEE	Hourly	Monthly
4100/4100/01	25.2804	4,381
4100/4100/02	26.5427	4,600

4100/4100/03	27.868	4,830
4100/4100/04	29.2655	5,072
4100/4100/05	30.7262	5,325
ENFORCEMENT OFFICER	Hourly	Monthly
4100/3530/01	18.9513	3,284
4100/3530/02	19.8956	3,448
4100/3530/03	20.8867	3,620
4100/3530/04	21.9338	3,801
4100/3530/05	23.0445	3,994
LEAD COMMUNITY SRVC OFFICER	Hourly	Monthly
4100/4109/01	27.7867	4,816
4100/4109/02	29.1857	5,058
4100/4109/03	30.645	5,311
4100/4109/04	32.1767	5,577
4100/4109/05	33.7807	5,855
PARKING AMBASSADOR	Hourly	Monthly
4100/4110/01	21.714	3,763
4100/4110/02	22.7997	3,951
4100/4110/03	23.9397	4,149
4100/4110/04	25.1367	4,357
4100/4110/05	26.3935	4,574
POLICE TRAINEE	Hourly	Monthly
4100/4101/01	34.879	6,045
PROPERTY/EVIDENCE TECHNICIAN	Hourly	Monthly
4100/4123/01	29.6352	5,136
4100/4123/02	31.1138	5,393
4100/4123/03	32.6736	5,663
4100/4123/04	34.3054	5,946
4100/4123/05	36.0185	6,243
PUBLIC SAFETY DISPATCHER	Hourly	Monthly
4100/4113/01	27.805	4,819
4100/4113/02	29.2025	5,061
4100/4113/03	30.654	5,313
4100/4113/04	32.1867	5,579
4100/4113/05	33.8005	5,858
SENIOR PROPERTY/EVIDENCE TECH	Hourly	Monthly
4100/4122/01	32.6015	5,650
4100/4122/02	34.2243	5,932
4100/4122/03	35.9373	6,229
4100/4122/04	37.7315	6,540
4100/4122/05	39.6248	6,868
POLICE OFFICER	Hourly	Monthly
4101/4124/01	40.5985	7,037
4101/4124/02	42.6343	7,389
4101/4124/03	44.7611	7,758
4101/4124/04	47.0087	8,148
4101/4124/05	49.3571	8,555

COMMUNITY SERVICE OFFICER SPV	Hourly	Monthly
4200/4210/01	35.8283	6,210
4200/4210/02	37.6197	6,520
4200/4210/03	39.5007	6,846
4200/4210/04	41.4757	7,189
4200/4210/05	43.5495	7,548
POLICE RECORDS SUPERVISOR	Hourly	Monthly
4200/4216/01	31.6041	5,478
4200/4216/02	33.1791	5,751
4200/4216/03	34.8391	6,038
4200/4216/04	36.5841	6,341
4200/4216/05	38.4145	6,658
POLICE SERGEANT	Hourly	Monthly
4200/4232/01	47.3248	8,202
4200/4232/02	49.6923	8,613
4200/4232/03	52.1717	9,043
4200/4232/04	54.7791	9,495
4200/4232/05	57.5144	9,969
PUBLIC SFTY DISPATCH SUPERVSR	Hourly	Monthly
4200/4222/01	33.7467	5,849
4200/4222/02	35.4337	6,141
4200/4222/03	37.2096	6,449
4200/4222/04	39.0698	6,772
4200/4222/05	41.0218	7,110
FIRE BATTALION CHIEF	Hourly	Monthly
4201/4410/01	42.1539	10,229
4201/4410/02	44.2616	10,740
4201/4410/03	46.4747	11,277
4201/4410/04	48.7984	11,841
4201/4410/05	51.2383	12,433
4201/4410/06	53.2879	12,931
CAPTAIN/PARAMEDIC	Hourly	Monthly
4400/4415/01	32.2427	7,824
4400/4415/02	33.8585	8,216
4400/4415/03	35.5485	8,626
4400/4415/04	37.3289	9,058
4400/4415/05	39.1913	9,510
4400/4415/06	41.1505	9,985
FIRE CAPTAIN	Hourly	Monthly
4400/4432/01	30.7085	7,451
4400/4432/02	32.2475	7,825
4400/4432/03	33.857	8,215
4400/4432/04	35.5527	8,627
4400/4432/05	37.3265	9,057
4400/4432/06	38.8217	9,420
FIRE ENGINEER	Hourly	Monthly
4400/4426/01	26.6366	6,463

4400/4426/02	27.9715	6,787
4400/4426/03	29.3685	7,126
4400/4426/04	30.8381	7,483
4400/4426/05	32.3816	7,857
4400/4426/06	33.6749	8,171
FIRE ENGINEER/PARAMEDIC	Hourly	Monthly
4400/4430/01	27.9692	6,787
4400/4430/02	29.3708	7,127
4400/4430/03	30.8378	7,483
4400/4430/04	32.3809	7,857
4400/4430/05	34.0016	8,251
4400/4430/06	35.3596	8,580
FIREFIGHTER	Hourly	Monthly
4400/4422/01	24.2207	5,877
4400/4422/02	25.4313	6,171
4400/4422/03	26.7016	6,479
4400/4422/04	28.0377	6,803
4400/4422/05	29.4358	7,143
4400/4422/06	30.6153	7,429
FIREFIGHTER/PARAMEDIC	Hourly	Monthly
4400/4421/01	26.6423	6,465
4400/4421/02	27.974	6,788
4400/4421/03	29.3712	7,127
4400/4421/04	30.8409	7,484
4400/4421/05	32.3788	7,857
4400/4421/06	33.6763	8,172

City of South Lake Tahoe Salary Table SEAS/TEMP POSITIONS

BUSDRIVER	Hourly	Monthly
9000/9916/01	19.7	0
CASHIER1	Hourly	Monthly
9000/9927/01	15.5	0
9000/9927/02	16.275	0
9000/9927/03	17.0888	0
9000/9927/04	17.9432	0
9000/9927/05	18.8403	0
9000/9927/06	19.7824	0
CASHIER2	Hourly	Monthly
9000/9951/01	16.4702	0
9000/9951/02	17.2937	0
9000/9951/03	18.1583	0
9000/9951/04	19.0663	0
9000/9951/05	20.0196	0
9000/9951/06	21.0206	0
EQUIPMCH I	Hourly	Monthly
9000/9957/01	28.6422	0

9000/9957/02	30.0749	0
9000/9957/03	31.5775	0
9000/9957/04	33.1616	0
9000/9957/05	34.8156	0
EQPMCH II	Hourly	Monthly
9000/9958/01	31.7176	0
EQPMCH III	Hourly	Monthly
9000/9959/01	34.9851	0
HEADCASHR	Hourly	Monthly
9000/9971/01	17.4788	0
9000/9971/02	18.3528	0
9000/9971/03	19.2704	0
9000/9971/04	20.2339	0
9000/9971/05	21.2456	0
9000/9971/06	22.3079	0
HDLIFEGUAR	Hourly	Monthly
9000/9977/01	17.1964	0
9000/9977/02	18.0563	0
9000/9977/03	18.9591	0
9000/9977/04	19.907	0
9000/9977/05	20.9024	0
9000/9977/06	21.9475	0
PARKATTEN1	Hourly	Monthly
9000/9970/01	15.5	0
PARKATTEN2	Hourly	Monthly
9000/9932/01	16	0
9000/9932/02	16.8	0
9000/9932/03	17.64	0
9000/9932/04	18.522	0
9000/9932/05	19.4481	0
9000/9932/06	20.4205	0
PKRANGER1	Hourly	Monthly
9000/9968/01	16	0
9000/9968/02	16.8	0
9000/9968/03	17.64	0
9000/9968/04	18.522	0
9000/9968/05	19.4481	0
9000/9968/06	20.4205	0
PKRANGERII	Hourly	Monthly
9000/9969/01	17.9432	0
9000/9969/02	18.8403	0
9000/9969/03	19.7823	0
9000/9969/04	20.7714	0
9000/9969/05	21.81	0
9000/9969/06	22.9005	0
PKSTEWARD	Hourly	Monthly
9000/9966/01	15.5	0

9000/9966/02	16.275	0
9000/9966/03	17.0888	0
9000/9966/04	17.9432	0
9000/9966/05	18.8403	0
9000/9966/06	19.7824	0
LIFEGUARD	Hourly	Monthly
9000/9976/01	15.5	0
9000/9976/02	16.275	0
9000/9976/03	17.0888	0
9000/9976/04	17.9432	0
9000/9976/05	18.8403	0
9000/9976/06	19.7824	0
RECINSTR	Hourly	Monthly
9000/9986/01	16.2146	0
9000/9986/02	17.0253	0
9000/9986/03	17.8766	0
9000/9986/04	18.7704	0
9000/9986/05	19.7089	0
9000/9986/06	20.6943	0
RECLEADER1	Hourly	Monthly
9000/9908/01	15.5	0
9000/9908/02	16.275	0
9000/9908/03	17.0888	0
9000/9908/04	17.9432	0
9000/9908/05	18.8403	0
9000/9908/06	19.7824	0
9984RECLD2	Hourly	Monthly
9000/9984/01	16.4702	0
9000/9984/02	17.2937	0
9000/9984/03	18.1583	0
9000/9984/04	19.0663	0
9000/9984/05	20.0196	0
9000/9984/06	21.0206	0
SENIOR SNOW REMOVAL EQUIP OP	Hourly	Monthly
9000/9930/01	19.333	0
9000/9930/02	20.2997	0
9000/9930/03	21.3146	0
9000/9930/04	22.3804	0
9000/9930/05	23.4994	0
9000/9930/06	24.6743	0
SNOW REMOVAL EQUIP OPERATOR	Hourly	Monthly
9000/9918/01	17.5119	0
9000/9918/02	18.3875	0
9000/9918/03	19.3069	0
9000/9918/04	20.2722	0
9000/9918/05	21.2858	0
9000/9918/06	22.35	0

BACKGROUND INVESTIGATOR TEM	Hourly	Monthly	
9900/9944/01	38.9187		0
DEFENSIBLE SPACE INSP - TEMP	Hourly	Monthly	
9900/9453/01	21.19		0
9900/9453/02	22.25		0
9900/9453/03	23.37		0
9900/9453/04	24.53		0
9900/9453/05	25.76		0
DEPUTY CITY ATTORNEY I TEMP	Hourly	Monthly	
9900/9939/01	38.549		0
9900/9939/02	40.4765		0
9900/9939/03	42.4999		0
9900/9939/04	44.6249		0
9900/9939/05	46.856		0
9900/9939/06	49.1998		0
DEVELOPMENT SRVS TECH TEMP	Hourly	Monthly	
9900/9520/01	23.7352		0
9900/9520/02	24.926		0
9900/9520/03	26.171		0
9900/9520/04	27.4808		0
9900/9520/05	28.8469		0
9900/9520/06	30.289		0
INTERIM CITY MANAGER - TEMP	Hourly	Monthly	
9900/9981/01	97.12		0
INTERIM FIRE BATTALION CHIEF	Hourly	Monthly	
9900/9947/01	34.9637		0
9900/9947/02	36.712		0
9900/9947/03	38.5475		0
9900/9947/04	40.4749		0
9900/9947/05	42.4987		0
9900/9947/06	44.1986		0
INTERIM FIRE CHIEF TEMP	Hourly	Monthly	
9900/9942/01	69.5388		0
9900/9942/02	73.0156		0
9900/9942/03	76.6665		0
9900/9942/04	80.4998		0
9900/9942/05	84.5247		0
INTERN	Hourly	Monthly	
9900/9943/01	15.5		0
9900/9943/02	16.275		0
9900/9943/03	19.2441		0
9900/9943/04	20.2062		0
9900/9943/05	21.2166		0
LEGAL SECRETARY/PARALEGAL-TEM	Hourly	Monthly	
9900/9890/01	20.6453		0
9900/9890/02	21.6821		0
9900/9890/03	22.7603		0

9900/9890/04	23.9007		0
9900/9890/05	25.0965		0
9900/9890/06	26.3513		0
MANAGEMENT ANALYST	Hourly	Monthly	
9900/9945/01	25.9866		0
9900/9945/02	27.2881		0
9900/9945/03	28.6539		0
9900/9945/04	30.0841		0
9900/9945/05	31.5858		0
9900/9945/06	33.165		0
REC COORD TEMP	Hourly	Monthly	
9900/9967/01	18.7895		0
9900/9967/02	19.729		0
9900/9967/03	20.7154		0
9900/9967/04	21.7512		0
9900/9967/05	22.8388		0
9900/9967/06	23.9807		0
RESERVE ANNUITANT PERSABLE	Hourly	Monthly	
9900/9956/01	47.3677		0
RESERVE OFFICER #1	Hourly	Monthly	
9900/9931/01	41.2889		0
RESERVE OFFICER #2	Hourly	Monthly	
9900/9933/01	33.5246		0
RESERVE OFFICER ANNUITANT	Hourly	Monthly	
9900/9925/01	47.3677		0
CITY CLERK	Hourly	Monthly	
1100/1138/01	47.8593		0
1100/1138/02	50.2487		0
1100/1138/03	52.7641		0
1100/1138/04	55.4009		0
1100/1138/05	58.1746		0
CITY COUNCIL	Hourly	Monthly	
1100/0020/01	0		0
CITY TREASURER	Hourly	Monthly	
1100/0030/01	0		0
CITY ATTORNEY	Hourly	Monthly	
1200/1256/01	103.4403		0
CITY MANAGER	Hourly	Monthly	
1200/1258/01	106.9216		0
CHIEF OF POLICE	Hourly	Monthly	
1300/1362/01	83.0585		0
1300/1362/02	87.2115		0
1300/1362/03	91.5721		0
1300/1362/04	96.1507		0
1300/1362/05	100.9582		0
DIR OF DEVELOPMENT SERVICES	Hourly	Monthly	
1300/1350/01	72.201		0

1300/1350/02	75.8115		0
1300/1350/03	79.6021		0
1300/1350/04	83.5823		0
1300/1350/05	87.7613		0
DIRECTOR OF FINANCE	Hourly	Monthly	
1300/1340/01	72.7634		0
1300/1340/02	76.4021		0
1300/1340/03	80.2222		0
1300/1340/04	84.2334		0
1300/1340/05	88.4449		0
DIRECTOR OF PUBLIC WORKS	Hourly	Monthly	
1300/1445/01	73.8949		0
1300/1445/02	77.5897		0
1300/1445/03	81.4691		0
1300/1445/04	85.5427		0
1300/1445/05	89.8197		0
FIRE CHIEF	Hourly	Monthly	
1300/1320/01	82.2845		0
1300/1320/02	86.3988		0
1300/1320/03	90.7187		0
1300/1320/04	95.2547		0
1300/1320/05	100.0174		0
PARKS & REC DIRECTOR	Hourly	Monthly	
1300/1420/01	70.3028		0
1300/1420/02	73.8184		0
1300/1420/03	77.5093		0
1300/1420/04	81.3849		0
1300/1420/05	85.454		0
ASSISTANT CITY ATTORNEY	Hourly	Monthly	
1301/1240/01	68.7288		0
1301/1240/02	72.1652		0
1301/1240/03	75.7735		0
1301/1240/04	79.5622		0
1301/1240/05	83.5403		0
ASSISTANT CITY MANAGER	Hourly	Monthly	
1301/1321/01	82.1348		0
1301/1321/02	86.2416		0
1301/1321/03	90.5536		0
1301/1321/04	95.0813		0
1301/1321/05	99.8354		0
ACCOUNTANT I	Hourly	Monthly	
1400/1427/01	36.9515		0
1400/1427/02	38.7967		0
1400/1427/03	40.7409		0
1400/1427/04	42.7744		0
1400/1427/05	44.9171		0
ACCOUNTANT II	Hourly	Monthly	

1400/3430/01	42.4942		0
1400/3430/02	44.6189		0
1400/3430/03	46.8498		0
1400/3430/04	49.1923		0
1400/3430/05	51.6519		0
ASSISTANT CITY CLERK	Hourly	Monthly	
1400/1422/01	32.4159		0
1400/1422/02	34.0406		0
1400/1422/03	35.7441		0
1400/1422/04	37.5264		0
1400/1422/05	39.4071		0
ASSISTANT MANAGEMENT ANALYS	Hourly	Monthly	
1400/1425/01	35.684		0
1400/1425/02	37.4711		0
1400/1425/03	39.3467		0
1400/1425/04	41.3106		0
1400/1425/05	43.3727		0
ASSOCIATE MANAGEMENT ANALYS	Hourly	Monthly	
1400/1430/01	39.2395		0
1400/1430/02	41.2059		0
1400/1430/03	43.2705		0
1400/1430/04	45.4322		0
1400/1430/05	47.7019		0
BUILDING OFFICIAL	Hourly	Monthly	
1400/1439/01	53.4956		0
1400/1439/02	56.167		0
1400/1439/03	58.9753		0
1400/1439/04	61.93		0
1400/1439/05	65.0264		0
CAPITAL & FACILITIES PROG MGR	Hourly	Monthly	
1400/1459/01	61.2274		0
1400/1459/02	64.2887		0
1400/1459/03	67.5033		0
1400/1459/04	70.8783		0
1400/1459/05	74.4222		0
COMPLETE STREETS PROG MGR	Hourly	Monthly	
1400/1458/01	61.2274		0
1400/1458/02	64.2887		0
1400/1458/03	67.5033		0
1400/1458/04	70.8783		0
1400/1458/05	74.4222		0
ENGINEERING MANAGER	Hourly	Monthly	
1400/1442/01	61.2275		0
1400/1442/02	64.2888		0
1400/1442/03	67.5033		0
1400/1442/04	70.8784		0
1400/1442/05	74.4223		0

FINANCIAL SERVICES MANAGER	Hourly	Monthly	
1400/1485/01	57.6609		0
1400/1485/02	60.5373		0
1400/1485/03	63.5686		0
1400/1485/04	66.742		0
1400/1485/05	70.083		0
FINANCIAL SERVICES SUPERVISOR	Hourly	Monthly	
1400/3375/01	49.658		0
1400/3375/02	52.1347		0
1400/3375/03	54.7483		0
1400/3375/04	57.4864		0
1400/3375/05	60.3656		0
HOUSING MANAGER	Hourly	Monthly	
1400/1431/01	54.6364		0
1400/1431/02	57.3689		0
1400/1431/03	60.2339		0
1400/1431/04	63.243		0
1400/1431/05	66.4088		0
INFORMATION SYSTEMS MANAGER	Hourly	Monthly	
1400/1432/01	58.3687		0
1400/1432/02	61.2871		0
1400/1432/03	64.3514		0
1400/1432/04	67.569		0
1400/1432/05	70.9475		0
MAINTENANCE MANAGER	Hourly	Monthly	
1400/1429/01	45.8763		0
1400/1429/02	48.1702		0
1400/1429/03	50.5787		0
1400/1429/04	53.1076		0
1400/1429/05	55.763		0
OFFICE MANAGER	Hourly	Monthly	
1400/1418/01	41.2003		0
1400/1418/02	43.2641		0
1400/1418/03	45.4305		0
1400/1418/04	47.6995		0
1400/1418/05	50.0838		0
PLANNING MANAGER	Hourly	Monthly	
1400/1455/01	55.5474		0
1400/1455/02	58.3252		0
1400/1455/03	61.2391		0
1400/1455/04	64.2995		0
1400/1455/05	67.5168		0
PRINCIPAL MANAGEMENT ANALYST	Hourly	Monthly	
1400/1414/01	50.6381		0
1400/1414/02	53.17		0
1400/1414/03	55.8284		0
1400/1414/04	58.6199		0

1400/1414/05	61.5508		0
RECREATION MANAGER	Hourly	Monthly	
1400/1461/01	44.4941		0
1400/1461/02	46.7189		0
1400/1461/03	49.0548		0
1400/1461/04	51.5076		0
1400/1461/05	54.0829		0
AIRPORT MANAGER	Hourly	Monthly	
1401/1493/01	61.0511		0
1401/1493/02	64.1036		0
1401/1493/03	67.3089		0
1401/1493/04	70.6742		0
1401/1493/05	74.208		0
COMMUNICATIONS & PROJECT SPE	Hourly	Monthly	
1401/1454/01	37.0604		0
1401/1454/02	38.9134		0
1401/1454/03	40.8591		0
1401/1454/04	42.9021		0
1401/1454/05	45.0472		0
FIRE MARSHALL	Hourly	Monthly	
4201/2310/01	61.1802		0
4201/2310/02	64.2393		0
4201/2310/03	67.4512		0
4201/2310/04	70.8238		0
4201/2310/05	74.3649		0
H.R.ANALYST	Hourly	Monthly	
1401/1423/01	40.5053		0
1401/1423/02	42.5306		0
1401/1423/03	44.6571		0
1401/1423/04	46.89		0
1401/1423/05	49.2345		0
HUMAN RESOURCE MANAGER	Hourly	Monthly	
1401/1435/01	54.5928		0
1401/1435/02	57.3163		0
1401/1435/03	60.1864		0
1401/1435/04	63.1908		0
1401/1435/05	66.3541		0
PRINCIPAL H.R. ANALYST	Hourly	Monthly	
1401/1482/01	48.5989		0
1401/1482/02	51.0234		0
1401/1482/03	53.5783		0
1401/1482/04	56.2529		0
1401/1482/05	59.0689		0
RISK MANAGER	Hourly	Monthly	
1401/1462/01	44.3786		0
1401/1462/02	46.5975		0
1401/1462/03	48.9274		0

1401/1462/04	51.3738		0
1401/1462/05	53.9424		0
PAYROLL COORDINATOR	Hourly	Monthly	
1500/1545/01	29.9452		0
1500/1545/02	31.4344		0
1500/1545/03	33.0094		0
1500/1545/04	34.6593		0
1500/1545/05	36.395		0
PARALEGAL	Hourly	Monthly	
1501/6680/01	28.5371		0
1501/6680/02	29.964		0
1501/6680/03	31.462		0
1501/6680/04	33.0347		0
1501/6680/05	34.6867		0
SUSTAINABILITY COORDINATOR	Hourly	Monthly	
1501/3474/01	39.1906		0
1501/3474/02	41.1501		0
1501/3474/03	43.2076		0
1501/3474/04	45.368		0
1501/3474/05	47.6364		0
POLICE LIEUTENANT	Hourly	Monthly	
1900/1941/01	58.0419		0
1900/1941/02	60.9441		0
1900/1941/03	63.9935		0
1900/1941/04	67.1904		0
1900/1941/05	70.5573		0
AIRPORT MAINTENANCE SUPERVISC	Hourly	Monthly	
3100/1426/01	36.7417		0
3100/1426/02	38.5788		0
3100/1426/03	40.5078		0
3100/1426/04	42.5333		0
3100/1426/05	44.66		0
EQUIPMENT MECHANIC I	Hourly	Monthly	
3100/3119/01	31.1282		0
3100/3119/02	32.6847		0
3100/3119/03	34.3189		0
3100/3119/04	36.0348		0
3100/3119/05	37.8366		0
EQUIPMENT MECHANIC II	Hourly	Monthly	
3100/3121/01	34.2477		0
3100/3121/02	35.9573		0
3100/3121/03	37.7557		0
3100/3121/04	39.6429		0
3100/3121/05	41.6207		0
EQUIPMENT MECHANIC III	Hourly	Monthly	
3100/3126/01	37.7687		0
3100/3126/02	39.6629		0

3100/3126/03	41.6454		0
3100/3126/04	43.7163		0
3100/3126/05	45.9134		0
FLEET CONTROL SPECIALIST	Hourly	Monthly	
3100/3117/01	32.1185		0
3100/3117/02	33.7259		0
3100/3117/03	35.4111		0
3100/3117/04	37.1827		0
3100/3117/05	39.0351		0
MAINTENANCE TECH I	Hourly	Monthly	
3100/3190/01	20.0014		0
3100/3190/02	20.5046		0
3100/3190/03	21.0209		0
3100/3190/04	21.5503		0
3100/3190/05	22.093		0
MAINTENANCE TECH II	Hourly	Monthly	
3100/3191/01	22.5099		0
3100/3191/02	23.0727		0
3100/3191/03	23.6495		0
3100/3191/04	24.2408		0
3100/3191/05	24.8468		0
MAINTENANCE TECH III	Hourly	Monthly	
3100/3192/01	25.9946		0
3100/3192/02	27.2943		0
3100/3192/03	28.659		0
3100/3192/04	30.092		0
3100/3192/05	31.5966		0
MAINTENANCE TECH IV	Hourly	Monthly	
3100/3193/01	28.6027		0
3100/3193/02	30.0341		0
3100/3193/03	31.5313		0
3100/3193/04	33.1072		0
3100/3193/05	34.7619		0
MAINTENANCE TECH LEAD	Hourly	Monthly	
3100/3195/01	34.7619		0
3100/3195/02	36.4954		0
3100/3195/03	38.3208		0
3100/3195/04	40.2381		0
3100/3195/05	42.2474		0
MAINTENANCE TECH V	Hourly	Monthly	
3100/3194/01	31.5313		0
3100/3194/02	33.1072		0
3100/3194/03	34.7619		0
3100/3194/04	36.4954		0
3100/3194/05	38.3208		0
ACCOUNTING TECHNICIAN I	Hourly	Monthly	
3400/3411/01	22.0641		0

3400/3411/02	23.1673		0
3400/3411/03	24.3257		0
3400/3411/04	25.542		0
3400/3411/05	26.8191		0
ACCOUNTING TECHNICIAN II	Hourly	Monthly	
3400/3415/01	27.5852		0
3400/3415/02	28.9644		0
3400/3415/03	30.4128		0
3400/3415/04	31.9333		0
3400/3415/05	33.53		0
ADMINSTRATIVE ASSISTANT I	Hourly	Monthly	
3400/1490/01	25.6388		0
3400/1490/02	26.9227		0
3400/1490/03	28.2631		0
3400/1490/04	29.6791		0
3400/1490/05	31.1612		0
ADMINISTRATIVE ASSISTANT II	Hourly	Monthly	
3400/3414/01	28.1971		0
3400/3414/02	29.6131		0
3400/3414/03	31.0857		0
3400/3414/04	32.6433		0
3400/3414/05	34.2764		0
ADMINISTRATIVE CLERK I	Hourly	Monthly	
3400/3402/01	19.8427		0
3400/3402/02	20.8315		0
3400/3402/03	21.8691		0
3400/3402/04	22.9655		0
3400/3402/05	24.1285		0
ADMINISTRATIVE CLERK II	Hourly	Monthly	
3400/3406/01	21.8351		0
3400/3406/02	22.9284		0
3400/3406/03	24.0801		0
3400/3406/04	25.2807		0
3400/3406/05	26.5451		0
ASSISTANT PLANNER	Hourly	Monthly	
3400/3440/01	38.4199		0
3400/3440/02	40.3467		0
3400/3440/03	42.3593		0
3400/3440/04	44.4789		0
3400/3440/05	46.7183		0
ASSOCIATE CIVIL ENGINEER	Hourly	Monthly	
3400/3435/01	53.2413		0
3400/3435/02	55.9033		0
3400/3435/03	58.6976		0
3400/3435/04	61.6334		0
3400/3435/05	64.7108		0
ASSOCIATE PLANNER	Hourly	Monthly	

3400/3429/01	42.2815	0
3400/3429/02	44.396	0
3400/3429/03	46.6144	0
3400/3429/04	48.9537	0
3400/3429/05	51.3911	0
BUILDING INSPECTOR	Hourly	Monthly
3400/3421/01	33.4291	0
3400/3421/02	35.1002	0
3400/3421/03	36.8542	0
3400/3421/04	38.6926	0
3400/3421/05	40.6303	0
CODE COMPLIANCE INVESTIGATOR	Hourly	Monthly
3400/3620/01	25.6011	0
3400/3620/02	26.8849	0
3400/3620/03	28.2254	0
3400/3620/04	29.6414	0
3400/3620/05	31.1235	0
DEVELOPMENT SERVICES TECH	Hourly	Monthly
3400/3785/01	29.9716	0
3400/3785/02	31.4752	0
3400/3785/03	33.0474	0
3400/3785/04	34.7013	0
3400/3785/05	36.4264	0
ENGINEERING TECHNICIAN	Hourly	Monthly
3400/3423/01	32.0277	0
3400/3423/02	33.6291	0
3400/3423/03	35.3105	0
3400/3423/04	37.0761	0
3400/3423/05	38.9299	0
EVENTS COORDINATOR	Hourly	Monthly
3400/3485/01	28.7244	0
3400/3485/02	30.1607	0
3400/3485/03	31.6687	0
3400/3485/04	33.2522	0
3400/3485/05	34.9148	0
EXECUTIVE ASST TO THE FIRE CHF	Hourly	Monthly
3400/3494/01	30.5104	0
3400/3494/02	32.0345	0
3400/3494/03	33.6299	0
3400/3494/04	35.3274	0
3400/3494/05	37.0761	0
FIRE SAFTY INSPECTOR I	Hourly	Monthly
3400/3452/01	29.0615	0
3400/3452/02	30.5146	0
3400/3452/03	32.0405	0
3400/3452/04	33.6422	0
3400/3452/05	35.3244	0

FIRE SAFTY INSPECTOR II	Hourly	Monthly	
3400/3450/01	33.5014		0
3400/3450/02	35.1762		0
3400/3450/03	36.934		0
3400/3450/04	38.7763		0
3400/3450/05	40.7181		0
GIS ANALYST	Hourly	Monthly	
3400/3220/01	48.3979		0
3400/3220/02	50.8247		0
3400/3220/03	53.3684		0
3400/3220/04	56.0286		0
3400/3220/05	58.8289		0
HEAD POOL LIFEGUARD	Hourly	Monthly	
3400/3477/01	19.2963		0
3400/3477/02	20.2611		0
3400/3477/03	21.2741		0
3400/3477/04	22.3379		0
3400/3477/05	23.4547		0
HOUSING INSPECTOR	Hourly	Monthly	
3400/3495/01	31.7019		0
3400/3495/02	33.287		0
3400/3495/03	34.9514		0
3400/3495/04	36.699		0
3400/3495/05	38.5339		0
INFORMATION SYSTEM TECHNICIAI	Hourly	Monthly	
3400/3422/01	33.5894		0
3400/3422/02	35.2665		0
3400/3422/03	37.0322		0
3400/3422/04	38.8769		0
3400/3422/05	40.8203		0
INFORMATION SYSTEMS SUPERVISC	Hourly	Monthly	
3400/1409/01	50.7617		0
3400/1409/02	53.2957		0
3400/1409/03	55.965		0
3400/1409/04	58.7637		0
3400/1409/05	61.7051		0
NETWORK SYSTEM ADMINISTRATO	Hourly	Monthly	
3400/3428/01	43.5181		0
3400/3428/02	45.6893		0
3400/3428/03	47.9738		0
3400/3428/04	50.3715		0
3400/3428/05	52.892		0
PERMIT CENTER TECHNICIAN	Hourly	Monthly	
3400/3780/01	29.9716		0
3400/3780/02	31.4752		0
3400/3780/03	33.0474		0
3400/3780/04	34.7013		0

3400/3780/05	36.4264		0
POLICE RECORDS TECHNICIAN	Hourly	Monthly	
3400/4104/01	23.9246		0
3400/4104/02	25.1253		0
3400/4104/03	26.3827		0
3400/4104/04	27.6968		0
3400/4104/05	29.0845		0
PRINCIPAL BUILDING INSPECTOR	Hourly	Monthly	
3400/3427/01	40.4404		0
3400/3427/02	42.4643		0
3400/3427/03	44.5856		0
3400/3427/04	46.8186		0
3400/3427/05	49.159		0
PROGRAM COORDINATOR	Hourly	Monthly	
3400/3491/01	35.9931		0
3400/3491/02	37.7947		0
3400/3491/03	39.6858		0
3400/3491/04	41.6678		0
3400/3491/05	43.7489		0
RESIDENT ENGINEER/RES INSPCTR	Hourly	Monthly	
3400/3470/01	47.8424		0
3400/3470/02	50.2346		0
3400/3470/03	52.7463		0
3400/3470/04	55.3836		0
3400/3470/05	58.1528		0
SENIOR BUILDING INSPECTOR	Hourly	Monthly	
3400/3425/01	36.7628		0
3400/3425/02	38.6019		0
3400/3425/03	40.5334		0
3400/3425/04	42.5587		0
3400/3425/05	44.6898		0
SENIOR HOUSING INSPECTOR	Hourly	Monthly	
3400/3496/01	34.8721		0
3400/3496/02	36.6158		0
3400/3496/03	38.4465		0
3400/3496/04	40.3689		0
3400/3496/05	42.3873		0
SENIOR PERMIT CENTER TECH	Hourly	Monthly	
3400/3781/01	32.9562		0
3400/3781/02	34.604		0
3400/3781/03	36.3342		0
3400/3781/04	38.151		0
3400/3781/05	40.0584		0
SENIOR PLANNER	Hourly	Monthly	
3400/3444/01	46.5033		0
3400/3444/02	48.8285		0
3400/3444/03	51.2699		0

3400/3444/04	53.8334		0
3400/3444/05	56.525		0
SR POLICE RECORDS TECHNICIAN	Hourly	Monthly	
3400/6640/01	26.3256		0
3400/6640/02	27.6392		0
3400/6640/03	29.0287		0
3400/6640/04	30.4834		0
3400/6640/05	31.9919		0
SUPERVISING ACCOUNTING TECH	Hourly	Monthly	
3400/3471/01	31.3584		0
3400/3471/02	32.9263		0
3400/3471/03	34.5726		0
3400/3471/04	36.3012		0
3400/3471/05	38.1163		0
COMMUNITY SERVICE OFFICER	Hourly	Monthly	
4100/4108/01	25.2715		0
4100/4108/02	26.5338		0
4100/4108/03	27.8591		0
4100/4108/04	29.2565		0
4100/4108/05	30.7171		0
DISPATCHER TRAINEE	Hourly	Monthly	
4100/4100/01	25.2804		0
4100/4100/02	26.5427		0
4100/4100/03	27.868		0
4100/4100/04	29.2655		0
4100/4100/05	30.7262		0
ENFORCEMENT OFFICER	Hourly	Monthly	
4100/3530/01	18.9513		0
4100/3530/02	19.8956		0
4100/3530/03	20.8867		0
4100/3530/04	21.9338		0
4100/3530/05	23.0445		0
LEAD COMMUNITY SRVC OFFICER	Hourly	Monthly	
4100/4109/01	27.7867		0
4100/4109/02	29.1857		0
4100/4109/03	30.645		0
4100/4109/04	32.1767		0
4100/4109/05	33.7807		0
PARKING AMBASSADOR	Hourly	Monthly	
4100/4110/01	21.714		0
4100/4110/02	22.7997		0
4100/4110/03	23.9397		0
4100/4110/04	25.1367		0
4100/4110/05	26.3935		0
POLICE TRAINEE	Hourly	Monthly	
4100/4101/01	34.879		0
PROPERTY/EVIDENCE TECHNICIAN	Hourly	Monthly	

4100/4123/01	29.6352	0
4100/4123/02	31.1138	0
4100/4123/03	32.6736	0
4100/4123/04	34.3054	0
4100/4123/05	36.0185	0
PUBLIC SAFETY DISPATCHER	Hourly	Monthly
4100/4113/01	27.805	0
4100/4113/02	29.2025	0
4100/4113/03	30.654	0
4100/4113/04	32.1867	0
4100/4113/05	33.8005	0
SENIOR PROPERTY/EVIDENCE TECH	Hourly	Monthly
4100/4122/01	32.6015	0
4100/4122/02	34.2243	0
4100/4122/03	35.9373	0
4100/4122/04	37.7315	0
4100/4122/05	39.6248	0
POLICE OFFICER	Hourly	Monthly
4101/4124/01	40.5985	0
4101/4124/02	42.6343	0
4101/4124/03	44.7611	0
4101/4124/04	47.0087	0
4101/4124/05	49.3571	0
COMMUNITY SERVICE OFFICER SPV	Hourly	Monthly
4200/4210/01	35.8283	0
4200/4210/02	37.6197	0
4200/4210/03	39.5007	0
4200/4210/04	41.4757	0
4200/4210/05	43.5495	0
POLICE RECORDS SUPERVISOR	Hourly	Monthly
4200/4216/01	31.6041	0
4200/4216/02	33.1791	0
4200/4216/03	34.8391	0
4200/4216/04	36.5841	0
4200/4216/05	38.4145	0
POLICE SERGEANT	Hourly	Monthly
4200/4232/01	47.3248	0
4200/4232/02	49.6923	0
4200/4232/03	52.1717	0
4200/4232/04	54.7791	0
4200/4232/05	57.5144	0
PUBLIC SFTY DISPATCH SUPERVSR	Hourly	Monthly
4200/4222/01	33.7467	0
4200/4222/02	35.4337	0
4200/4222/03	37.2096	0
4200/4222/04	39.0698	0
4200/4222/05	41.0218	0

FIRE BATTALION CHIEF	Hourly	Monthly
4201/4410/01	42.1539	0
4201/4410/02	44.2616	0
4201/4410/03	46.4747	0
4201/4410/04	48.7984	0
4201/4410/05	51.2383	0
4201/4410/06	53.2879	0
CAPTAIN/PARAMEDIC	Hourly	Monthly
4400/4415/01	32.2427	0
4400/4415/02	33.8585	0
4400/4415/03	35.5485	0
4400/4415/04	37.3289	0
4400/4415/05	39.1913	0
4400/4415/06	41.1505	0
FIRE CAPTAIN	Hourly	Monthly
4400/4432/01	30.7085	0
4400/4432/02	32.2475	0
4400/4432/03	33.857	0
4400/4432/04	35.5527	0
4400/4432/05	37.3265	0
4400/4432/06	38.8217	0
FIRE ENGINEER	Hourly	Monthly
4400/4426/01	26.6366	0
4400/4426/02	27.9715	0
4400/4426/03	29.3685	0
4400/4426/04	30.8381	0
4400/4426/05	32.3816	0
4400/4426/06	33.6749	0
FIRE ENGINEER/PARAMEDIC	Hourly	Monthly
4400/4430/01	27.9692	0
4400/4430/02	29.3708	0
4400/4430/03	30.8378	0
4400/4430/04	32.3809	0
4400/4430/05	34.0016	0
4400/4430/06	35.3596	0
FIREFIGHTER	Hourly	Monthly
4400/4422/01	24.2207	0
4400/4422/02	25.4313	0
4400/4422/03	26.7016	0
4400/4422/04	28.0377	0
4400/4422/05	29.4358	0
4400/4422/06	30.6153	0
FIREFIGHTER/PARAMEDIC	Hourly	Monthly
4400/4421/01	26.6423	0
4400/4421/02	27.974	0
4400/4421/03	29.3712	0
4400/4421/04	30.8409	0

4400/4421/05	32.3788	0
4400/4421/06	33.6763	0

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 12

Agenda Item: Recognized Obligation Payment Schedule (ROPS) FY 2024-2025

Executive Summary: In an effort to balance its budget, the State of California adopted Assembly Bill (AB)x1 26 on June 28, 2011, amended by AB 1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on February 1, 2012. The Successor Agency Board is required by state law to annually pass a resolution approving the ROPS.

Requested Action / Suggested Motions: Acting as the South Tahoe Redevelopment Successor Agency Board, Pass a Resolution approving the Recognized Obligation Payment Schedule (ROPS) pursuant to Health and Safety Code section 34177 for the fiscal period commencing July 1, 2024, and ending June 30, 2025.

Responsible Staff Member: Olga Tikhomirova, Finance Director

Reviewed and Approved By: Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

01-Staff Report-ROPS 2024-2025.DOCX
02-Resolution STRSA ROPS 2024-2025.DOCX
03-ROPS 2024-2025 (Exh. A to Resolution).pdf
04-Sponsoring Entity Loan Repayment ROPS 2024-2025 (Exh. B to Resolution).pdf

City of South Lake Tahoe
Report to South Tahoe
Redevelopment Successor Agency

Meeting Date: December 12, 2023

Title: Recognized Obligation Payment Schedule (ROPS), FY 2024-2025

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530) 542-7431

Background: In an effort to balance its budget, the State of California adopted Assembly Bill (AB)x1 26 on June 28, 2011, amended by AB 1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on February 1, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

Certain assets of the former Redevelopment Agency ("Former RDA") were to be distributed to a Housing Successor and all remaining Redevelopment Agency assets and liabilities were to be distributed to a Successor Agency. The City elected to become the Successor Agency. The Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency and are recorded in the Redevelopment Obligation Retirement Private-Purpose Trust Fund (Fund 725)

Issue and Discussion: Pursuant to Health and Safety Code section 34177(o)(1), Successor Agencies are required to prepare Recognized Obligation Payment Schedules ("ROPS") prior to each twelve-month fiscal period. The ROPS is then ratified by the Oversight Board and subsequently submitted to the County Auditor and State Department of Finance ("DOF"). ROPS 2024-2025 for the period of July 1, 2024 to June 30, 2025 is due February 1, 2024.

Financial Implications: The preparation and approval of this ROPS, including the Administrative Budget, will allow the Successor Agency to continue to pay enforceable obligations of the former redevelopment agency and is required by the Health and Safety Code section 34177.

On July 25, 2014, the local Oversight Board of the Successor Agency to the South Tahoe Redevelopment agency adopted Resolution No. 2014-4 which approved repayment of a loan incurred in Fiscal Year 2010-11 by the Former RDA to pay remittance to the Supplemental Educational Revenue Augmentation Fund (SERAF) in the total amount of $426,210. Prior to dissolution, the Former RDA was required to maintain a Low and Moderate Income Housing Fund (the "Housing Fund") and deposit certain amounts of tax increment received by the Former RDA into the Housing Fund. The Former RDA was permitted to incur a loan payable to the Housing Fund (the "SERAF Loan") to pay the FY 2010-11 SERAF Payment. As a result of the RDA dissolution, the City designated the South Tahoe Housing Authority to act as the Housing Successor for the Former RDA, and the Housing Authority assumed the housing assets and functions of the Former RDA. The SERAF Loan constitutes an enforceable obligation of the Former RDA, provided that the repaid funds are used in a manner consistent with the affordable housing requirements of the Redevelopment Law. The DOF informed the local Oversight Board that DOF was not initiating a review of Resolution No. 2014-4.

According to the Health and Safety Code (HSC) Section 34176(e)(6)(B), the aggregate repayment amount authorized each fiscal year for the SERAF Loan shall not exceed one-half of the increase between the amount distributed to taxing entities pursuant to HSC Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to HSC Section 34183(a)(4) in the 2012-13 base year ("RPTTF residual"). .

Based on the calculations using the Sponsoring Entity Loan Repayment Calculator provided by the Department of Finance (attached 04), for Fiscal year 2024-25, it is estimated that the ROPS 2023-24 RPTTF residual balance is available to begin repayment of the SERAF Loan. Therefore, the repayment of SERAF Loan is included on the ROPS 2024-25.

Environmental Considerations: The proposed action is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(4) (creation of government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment).

Policy Implications: The preparation and approval of this ROPS is consistent with Health and Safety Code section 34177(o)(1).

STRSA Resolution 2023-XXX

Adopted by the Board of Directors of the
South Tahoe Redevelopment Successor Agency

December 12, 2023

Approving a Recognized Obligation Payment Schedule (ROPS 2024-25), Including an Administrative Budget, Pursuant to Health and Safety Code Section 34177 for the Fiscal Period Commencing July 1, 2024 and Ending June 30, 2025, and Taking Related Actions

BACKGROUND

A. The South Tahoe Redevelopment Agency (the "Former RDA") was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law (the "Redevelopment Law") set forth in Section 33000 *et seq*. of the Health and Safety Code ("HSC") of the State of California.

B. Pursuant to HSC 33334.2, the Former RDA was required to maintain a Low and Moderate Income Housing Fund (the "Housing Fund") and deposit certain amounts of tax increment received by the Former RDA into the Housing Fund.

C. Pursuant to HSC Section 33690.5(a), the Former RDA was required to make a remittance (the "FY 2010-11 SERAF Payment") to the El Dorado County Auditor-Controller for deposit into the County Supplemental Educational Revenue Augmentation Fund ('SERAF") for fiscal year 2010-11.

D. Pursuant to HSC Section 33690.5(c), the Former RDA was permitted to, and did, incur a loan repayable to the Housing Fund (the "SERAF Loan") to pay the FY 2010-11 SERAF Payment.

E. Pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal.4th 231(2011), the Former RDA was dissolved as of February 1, 2012, the Successor Agency to the South Tahoe Redevelopment Agency ("Successor Agency") was established, and a local oversight board of the Successor Agency was established.

F. As of the date of this Resolution, a portion of the SERAF Loan remains outstanding and unpaid in the amount of $426,210.

G. Pursuant to HSC Section 34176(b), the City Council of the City of South Lake Tahoe designated the South Lake Tahoe Housing Authority as the successor entity with respect to the housing assets and functions of the Former RDA (the "Housing Successor") pursuant to its Resolution No. 2012-65, adopted on October 16, 2012.

H. Pursuant to HSC Section 34176(d), all funds transferred to the Housing Successor and all funds generated from housing assets must be maintained in a Low and Moderate Income

Housing Asset Fund (the "Housing Asset Fund"), established and held by the Housing Successor.

I. Pursuant to HSC Section 34171(d)(1)(G), the SERAF Loan constitutes an enforceable obligation; provided that the repayment schedule must be approved by the oversight board of the Successor Agency, and repayments must be transferred to the Housing Asset Fund and used in a manner consistent with the affordable housing requirements of the Redevelopment Law.

J. Pursuant to HSC Section 34176(e)(6)(B), the aggregate repayment amount authorized each fiscal year for the SERAF Loan shall not exceed one-half of the increase between the amount distributed to taxing entities pursuant to HSC Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to HSC Section 34183(a)(4) in the 2012-13 base year.

K. By its Resolution No. 2014-5, adopted on July 15, 2014, the Board of Directors of the Successor Agency requested the local oversight board of the Successor Agency (i) to authorize the inclusion of a line item on future ROPS, for the repayment of the SERAF Loan, up to the maximum repayment amount calculated in accordance with HSC Section 34176(e)(6)(B), until the SERAF Loan has been paid in full; and (ii) to recognize that the repayment of the SERAF Loan as described in the Successor Agency resolution shall constitute the repayment schedule of the SERAF Loan for the purposes of HSC Section 34171(d)(1)(G) and approve such repayment schedule.

L. On July 25, 2014, the local oversight board of the Successor Agency adopted its Resolution No. 2014-4, which approved inclusion of the SERAF Loan on future ROPS and the repayment schedule as described in the above-described Successor Agency Resolution.

M. On July 30, 2014, the State Department of Finance ("DOF") informed the oversight board in writing that the DOF was not initiating a review of the oversight board's Resolution No. 2014-4.

N. Pursuant to Health and Safety Code Section 34179(j), as of July 1, 2018, the El Dorado Countywide Oversight Board (the "Countywide Oversight Board") has jurisdiction over the Successor Agency.

O. Pursuant to HSC Section 34177(o)(1), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") listing the anticipated payments for enforceable obligations to be made by the Successor Agency during the fiscal period from July 1, 2024 through June 30, 2025 ("ROPS 24-25") and submit ROPS 24-25 to the Countywide Oversight Board for approval.

P. Pursuant to HSC Section 34177(l)(2)(B), at the same time that the Successor Agency submits ROPS 24-25 to the Countywide Oversight Board for approval, the Successor Agency must submit a copy of ROPS 24-25 to the DOF, the County administrative officer, and the County Auditor-Controller.

Q. Pursuant to HSC Section 34177(l)(2)(C) and Section 34177(o)(1), the Successor Agency must: (i) submit the Countywide Oversight Board-approved ROPS 24-25 to the DOF, the

Office of the State Controller, and the County Auditor-Controller no later than February 1, 2024, and (ii) post a copy of the Countywide Oversight Board-approved ROPS 24-25 on the Successor Agency's website.

R. A partial repayment of SERAF Loan is included on ROPS 2024-25.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

1. The above recitals are true and correct and are a substantive part of this Resolution.

2. The Board of Directors hereby approves ROPS 24-25, including the Administrative Budget, substantially in the form attached as Exhibit "A" to this Resolution and incorporated herein by reference. The Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, may modify ROPS 24-25 as the Executive Director or the Successor Agency's legal counsel deems necessary or advisable.

3. Staff is hereby authorized and directed to submit a copy of ROPS 24-25 to the Countywide Oversight Board for approval and, at the same time, transmit a copy of ROPS 24-25 to the DOF, the County Auditor-Controller and the County administrative officer as designated by the County.

4. Staff is hereby authorized and directed to submit a copy of the Countywide Oversight Board-approved ROPS 24-25 to the DOF, the Office of the State Controller, and the County Auditor-Controller. If the Countywide Oversight Board has not approved ROPS 24-25 by February 1, 2024, Staff is hereby authorized and directed to transmit ROPS 24-25 to the DOF, the Office of the State Controller, and the County Auditor-Controller by February 1, 2024, with a written notification regarding the status of the Countywide Oversight Board's review. Written notice and information regarding the action of the Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing.

5. Staff is hereby authorized and directed to post a copy of the Countywide Oversight Board-approved ROPS 24-25 on the Successor Agency's Internet website (being a page on the Internet website of the City of South Lake Tahoe).

6. The officers and the other staff members of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including but not limited to requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and making adjustments to ROPS 24-25 pursuant to the DOF's instructions, and any such actions previously taken are hereby ratified and confirmed.

Adopted by the Board of Directors of the Successor Agency of the South Tahoe Redevelopment Agency at a duly noticed meeting held on December 12, 2023, by the following vote:

Yes:
No:
Absent:
Abstain:

_____ Date:_____
, Agency Chair

Attest:

_____
Susan Blankenship, Agency Secretary

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council

Recognized Obligation Payment Schedule (ROPS 24-25) - Summary
Filed for the July 1, 2024 through June 30, 2025 Period

Successor Agency: South Lake Tahoe

County: El Dorado

	Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	24-25A Total (July - December)	24-25B Total (January - June)	ROPS 24-25 Total
A	**Enforceable Obligations Funded as Follows (B+C+D)**	**$ -**	**$ -**	**$ -**
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	-	-	-
E	**Redevelopment Property Tax Trust Fund (RPTTF) (F+G)**	**$ 4,092,054**	**$ 1,354,172**	**$ 5,446,226**
F	RPTTF	4,069,554	1,331,672	5,401,226
G	Administrative RPTTF	22,500	22,500	45,000
H	**Current Period Enforceable Obligations (A+E)**	**$ 4,092,054**	**$ 1,354,172**	**$ 5,446,226**

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/

Signature Date

South Lake Tahoe
Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail
July 1, 2024 through June 30, 2025

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	**ROPS 24-25 Total**	**ROPS 24-25A (Jul - Dec)**					**24-25A Total**	**ROPS 24-25B (Jan - Jun)**					**24-25B Total**
											Fund Sources						**Fund Sources**					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								$77,006,745		$5,446,226	$-	$-	$-	$4,069,554	$22,500	$4,092,054	$-	$-	$-	$1,331,672	$22,500	$1,354,172
6	Contracted Financial Services	Fees	10/01/ 1999	10/01/2037	Bank of New York Mellon, Willdan, Fraser & Associates	Trustee Services, arbitrage rebate calculations, continuing disclosure reports, pass through calculations	Park Avenue Area #1	15,300	N	$15,300	-	-	-	7,650	-	$7,650	-	-	-	7,650	-	$7,650
7	Contracted Legal Services	Admin Costs	10/01/ 2007	10/01/2037	Richards, Watson and Gershon	Redevelopment Dissolution Legal Costs	Park Avenue Area #1	5,000	N	$5,000	-	-	-	-	2,500	$2,500	-	-	-	-	2,500	$2,500
21	Administrative Costs	Admin Costs	01/01/ 2014	10/01/2037	City of South Lake Tahoe	Costs to Administer Successor Agency (internal debt administration, accounting financial reporting, legal and banking fees		40,000	N	$40,000	-	-	-	-	20,000	$20,000	-	-	-	-	20,000	$20,000
25	Supplemental Educational Revenue Augmentation Fund loan	SERAF/ ERAF	03/01/ 2011	10/01/2037	City of South Lake Tahoe Low-Moderate Income Housing Fund	Supplemental Educational Revenue Augmentation Fund Loan		426,210	N	$285,019	-	-	-	-	-	$-	-	-	-	285,019	-	$285,019
26	City General Fund loan to the Redevelopment Agency for Completion of Park Avenue Project	City/ County Loan (Prior 06/ 28/11), Cash exchange	03/14/ 2004	10/01/2037	City of South Lake Tahoe General Fund	Park Avenue Project Completion costs loan	Park Avenue Area #1	5,276,219	N	$-	-	-	-	-	-	$-	-	-	-	-	-	$-
27	2014 Redevelopment Project Area	Bonds Issued After 12/	12/08/ 2014	10/01/2034	Bondholders paid by Trustee	Refunding of 1999, 2003, and 2004	Park Avenue Area	30,066,709	N	$1,746,519	-	-	-	1,286,360	-	$1,286,360	-	-	-	460,159	-	$460,159

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	**ROPS 24-25 Total**	**ROPS 24-25A (Jul - Dec)**					**24-25A Total**	**ROPS 24-25B (Jan - Jun)**					**24-25B Total**
											Fund Sources						**Fund Sources**					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	No. 1 Series A Notes	31/10			(Bank of New York Mellon)	Refunding Revenue Bonds to fund non-housing projects	#1															
28	2015 Redevelopment Project Area No. 1 Series A Notes	Bonds Issued After 12/31/10	09/16/2015	10/01/2035	Bondholders paid by Trustee (Bank of New York Mellon)	Refunding of 2005 Refunding Revenue Bonds to fund non-housing projects	Park Avenue Area	19,785,210	N	$2,418,194	-	-	-	2,111,097	-	$2,111,097	-	-	-	307,097	-	$307,097
29	2017 Loan Agreements (securing Authority's 2017 Refunding Revenue Bond)	Bonds Issued After 12/31/10	09/01/2017	10/01/2037	Bondholders paid by Trustee (Bank of New York Mellon)	Refunding of 2007 RDA Notes sercuring bonds to fund non-housing projects		21,392,097	N	$936,194	-	-	-	664,447	-	$664,447	-	-	-	271,747	-	$271,747

South Lake Tahoe
Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances
July 1, 2021 through June 30, 2022
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	**Fund Sources**					**Comments**
		Bond Proceeds		**Reserve Balance**	**Other Funds**	**RPTTF**	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	**Beginning Available Cash Balance (Actual 07/01/21)** RPTTF amount should exclude "A" period distribution amount.	5,111,759					Only balances in Reserve Fund are reported here
2	**Revenue/Income (Actual 06/30/22)** RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller				411,832	4,191,254	Other Funds are revenues transferred in on an as-needed basis to cover the RPTTF shortfall. Only transfer needed for cash at 6/30/22 was made. Additional transfer to cover total Other Funds expenses was made after 6/30/22 (for City's fiscal year ending 9/30/22)
3	**Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)**				923,238	4,191,254	Other Funds expenditures exceed Actual 6/30/22 Revenue due to different City's fiscal year accounting (Oct. to Sept) compared to ROPS year (Jun. to Jul.)
4	**Retention of Available Cash Balance (Actual 06/30/22)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	**ROPS 21-22 RPTTF Prior Period Adjustment** RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry required				

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	**Fund Sources**					**Comments**
		Bond Proceeds		**Reserve Balance**	**Other Funds**	**RPTTF**	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
6	**Ending Actual Available Cash Balance (06/30/22) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)**	**$5,111,759**	**$-**	**$-**	**$(511,406)**	**$-**	

South Lake Tahoe
Recognized Obligation Payment Schedule (ROPS 24-25) - Notes
July 1, 2024 through June 30, 2025

Item #	Notes/Comments
6	
7	
21	
25	Using one-half of the ROPS 23-24B Residual Balance to start re-paying SERAF loan
26	
27	
28	
29	

County Name	El_Dorado	Agency Name	South Lake Tahoe
ROPS Review Period:		ROPS 24-25	

Sponsoring Entity Loan Repayment Calculator

Base Year:	ROPS II July thru December 2012	ROPS III January thru June 2013	Total For Base Year
Residual Balance	0	0	0

Comparison Year:	ROPS 23-24 A July thru December 2023	ROPS 23-24 B January thru June 2024	Total For Comparison Year
Residual Balance	0	570,038	570,038

A	Total Residual Balance for Comparison Year	570,038
B	Total Residual Balance for Base Year	0
A-B	Difference of Residual Balance	570,038
		÷2
	Maximum Repayment for Fiscal Year 2024-25	**285,019**

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 13

Agenda Item: South Tahoe Refuse Base Year Rate Increase of 11.05 Percent

Executive Summary: The City maintains a solid waste franchise agreement with South Tahoe Refuse (STR) for collection and disposal services. The City Council approved a new franchise agreement with STR on August 22, 2023. The Agreement continues to use the 2012 Rate Setting Policy and Procedures Manual, which is also used by the other two partners in the South Lake Tahoe Basin Waste Management Authority (JPA): El Dorado County and Douglas County. The Base Year increase is based on a detailed evaluation of STR operating costs, Consumer Price Index, landfill disposal, and other costs. The JPA's rate-setting consultant's analysis identified a Base Year rate increase of 11.05 percent for the City of South Lake Tahoe, which equates to an increase of $4.11 per month for residential customers and $4.70 per cubic yard for commercial customers.

Requested Action / Suggested Motions: (1) Conduct a Majority Protest Public Hearing, and (2) If no majority protest is received, Pass a Motion approving South Tahoe Refuse Base Year Rate Increase of 11.05 percent ($4.11 per month for residential customers and $4.70 per cubic yard for commercial customers), effective January 1, 2024.

Responsible Staff Member: Anush Nejad Public Works Director, and Sara Letton, Sustainability Coordinator

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance Heather Stroud, City Attorney

Attachments:

- 01-Staff Report - South Tahoe Refuse 2024 Rate Adjustment.docx
- 02 - 2012 Rate-Setting Manual.pdf
- 03 - Prop 218 Notice 10.23.23 FINAL.pdf
- 04 - Crowe Report - STR 2024 Rate Review.pdf
- 05 - Clean Tahoe Budget 2023-4.pdf
- 06 - STR Rate Presentation.pptx
- 07- Redacted Protest Letter.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: South Tahoe Refuse Base Year Rate Increase of 11.05 Percent

Location: Citywide

Responsible Staff Member: Anush Nejad, Director of Public Works (530) 542- 6031 and Sara Letton, Sustainability Coordinator (530) 542-6175

Background: The City maintains a solid waste franchise agreement with South Tahoe Refuse (STR) for solid waste collection and disposal. The City Council authorized a new franchise agreement with STR August 22, 2023.

The Agreement continues to use the 2012 Rate Setting Policy and Procedures Manual (Manual) (Attachment 02). The Manual establishes rate change policies, provides application forms, specifies reporting formats, identifies required supporting documentation, and describes the procedures for requesting, reviewing, and adopting rate changes. The Manual is utilized by the three jurisdictional partners in the South Lake Tahoe Basin Waste Management Authority (JPA). The partner agencies include the City of South Lake Tahoe, El Dorado County, and Douglas County. On October 23, 2023, the JPA considered the proposed rate increase and recommended approval to the parter agencies.

Proposition 218 Notice: The city notified property owners and customers at least 45 days before the Public Hearing by mailing written notices of the proposed residential and commercial increase for the solid waste services on October 27, 2023. As further described below (See Public Notification Attachment 03), those property owners and customers may submit a written protest of the proposed rate increase to the City Clerk any time before the close of the public hearing on December 12, 2023. If less than a majority of the property owners and customers file written protests to the proposed rate increase, the City Council may approve the proposed change to the solid waste rates.

Issue and Discussion: The Manual describes the process for rate adjustment for both the base year and interim years on a 3-year cycle. The last base year was 2021. The current rate adjustment (2024) is also for a base year. Base year analysis involves a more detailed analysis of STR costs of operations.

In June of 2023, STR submitted its Application to the JPA for the base rate year 2024. The JPA approved a contract with Crowe, LLC to review STRs base year rate application and to recommend a proposed rate adjustment.

On October 20, 2023, Crowe LLP (Crowe) completed an analysis of South Tahoe Refuse Company's Inc.'s (STR) 2024 Base Year Rate Application. The analysis was conducted in

accordance with the JPA's Manual. Crowe's analysis identified a base year increase of **11.05%** for the City of South Lake Tahoe. The analysis and the recommendation are included (Attachment 04-STR 2024 Rate Review Report).

The proposed 2024 rate increases for residential and commercial customers are summarized below:

Service Type	Current Rate (Per Customer, Per Month	Proposed Rate (Per Customer Per Month)	Proposed Rate Increase (Per Customer Per Month)
Unlimited Residential Service *	$37.15	$41.22	$4.11
Commercial Rate per Cubic Yard	$42.50	$47.20	$4.70

* Excluding City surcharges for street sweeping ($0.25) and nuisance abatement ($0.25). For the City of South Lake Tahoe, the City has determined that it is in the best interests of all parties for Clean Tahoe to become a subcontractor to STR for litter abatement, debris, and illegal dumping cleanup services. The Clean Tahoe Budget is included (Attachment 05).

The recently approved rate adjustments for the City of South Lake Tahoe are shown below:

- 2016 – No rate change – interim year
- 2017 – 1.62 percent rate increase – interim year.
- 2018 – 8.81 percent rate increase – base year
- 2019 – 3.11 percent rate increase – interim year.
- 2020 – 2.93 percent rate increase – interim year.
- 2021 – 9.04 percent rate increase – base year
- 2022 – 3.77 percent rate increase – interim year.
- 2023 – 4.96 percent rate increase – interim year.

On October 23, the JPA Board approved the report and recommended that each jurisdiction consider and approve the rate adjustment.

Mandatory Commercial Organic Recycling Act and Short-Lived Climate Pollutants Bill: The 2023 Franchise Agreement includes requirements for the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826) and the Short-Lived Climate Pollutants Bill of 2016 (SB 1383). These bills have directed all local agencies to promote diversion and maximize the use of feasible waste reduction, reuse, recycling, and composting options to reduce the amount of refuse that must be disposed of and to avoid the production of short-lived climate pollutants. SB 1383 establishes regulatory requirements for jurisdictions, generators, haulers, solid waste facilities, and other entities to support the achievement of State-wide Organic Waste Disposal reduction targets. It requires the City to implement collection programs, meet processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements. The City has delegated some of its responsibilities to STR, acting as its designee.

In the new Franchise Agreement, STR has requested a 20-year term to amortize the capital expenses STR will incur to implement the 3-Cart residential collection system required to

implement SB1383. The City entered into a new franchise agreement with such a term based on STR's prior satisfactory service and to ensure the successful implementation of SB 1383 and with the inclusion of other contractual provisions that advance the City's economic and environmental goals.

The new Franchise Agreement stipulates that on or before September 15, 2024, STR shall provide residential customers with new carts to implement the 3-cart collection program. STR may request an extension from the City based on good cause, which the City may grant or deny within its reasonable discretion.

Crowe's report includes potential rate adjustments in 2025 and 2026 for compliance with SB 1383, including the roll-out of the 3-cart system. The JPA reviewed the proposed rate adjustments for 2025 and 2026 to cover the costs of SB 1383 compliance but did not act on the future proposed rate increases and deferred this item to 2024. It is anticipated that the costs of the 3-cart system will be included in requested rate increases for 2025 and 2026.

Financial Implications: An 11.05% increase in solid waste service rates within the City of South Lake Tahoe will increase the cost of STR's unlimited service for residential customers by $4.11 per month. For commercial customers, the increase will be $4.70 per cubic yard.

Environmental Considerations: This action is not a "project" requiring review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(4) (government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment).

Policy Implications: The application process and analysis utilized to determine the interim year rate adjustment are consistent with the Solid Waste Rate Setting Policies and Procedures Manual. The updated franchise agreement supports the local implementation of the Mandatory Commercial Organic Recycling Act and Short-Lived Climate Pollutants Bill, which are consistent with the City's Climate Action Plan WA-2 'Promote reductions in organic waste and landfill diversion**'.**

South Lake Tahoe Basin Waste Management Authority

Solid Waste Rate Setting Policies and Procedures Manual

March 30, 2012

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Section 1

Rate Setting Goals and Objectives

1. Rate Setting Goals and Objectives

This section of the manual provides an overview of the rate setting process. The section includes five subsections:

A. Introduction
B. Rate Setting Goals
C. Rate Setting Policies
D. Rate Application Process
E. Allowable and Non-Allowable Costs.

A. Introduction

This manual is a step-by-step guide for the South Lake Tahoe Basin Waste Management Authority (JPA), and its franchise hauler, to prepare and approve changes in solid waste collection rates. The manual establishes rate change policies, provides application forms, specifies reporting formats, identifies required supporting documentation, and describes the procedure for requesting, reviewing, and adopting rate changes. The following three (3) jurisdictions make up the JPA:

- City of South Lake Tahoe, California
- El Dorado County, California
- Douglas County, Nevada.

In 1996, the JPA developed a "*Solid Waste Collection, Recycling, and Transfer Station Operations Rate Setting Policies and Procedures Manual*" (1996 Manual) as a tool to use to regulate solid waste rates. This version (version 2.0) represents the first update to the 1996 Manual since that time.

The franchise hauler for the three (3) jurisdictions is South Tahoe Refuse Company, Inc. (STR). Each jurisdiction has a franchise agreement with STR for collection and disposal of refuse as follows:

- *Collection Franchise Agreement between El Dorado County and South Tahoe Refuse Company, Inc., dated February 13, 1995*
- *Solid Waste Services Agreement between City of South Lake Tahoe and South Tahoe Refuse Company, Inc., dated August 21, 2007*
- *Solid Waste Services Agreement between Douglas County and South Tahoe Refuse Company, Inc., dated October 2006.*[1]

[1] The franchise agreement has been amended three times. On March 15, 2007, the franchise was amended to reflect the correct franchise fee (First Amendment). On October 15, 2009, the franchise was amended to update indices used in the cost-of-living adjustment (COLA, Second Amendment). The most recent amendment was signed on December 21, 2009, again revising the COLA, to account for negative rate changes (Third Amendment).

Table 1-1
South Tahoe Refuse Company, Inc.
Business Divisions

Divisions	Service Areas	Covered by Manual
1. South Tahoe Refuse Company	■ City of South Lake Tahoe ■ Unincorporated El Dorado County ■ Douglas County, Nevada	Yes
2. American River Disposal	■ Unincorporated El Dorado County	No
3. Sierra Disposal Service	■ Unincorporated El Dorado County	No

Each franchise agreement currently has slightly different terms and conditions for how rates are set. The intent of this manual update is to replace these varied rate setting terms and conditions with common rate setting terms and conditions that the JPA, and the three (3) jurisdictions, can agree to, and apply. The intent of this manual update is for each jurisdiction to incorporate this updated version 2.0 of the manual, by reference, into their respective franchise agreements with STR.

This manual is meant as a tool for setting rates for the three (3) jurisdictions, combined. The JPA will be responsible for reviewing rate applications submitted by the franchised hauler. The JPA will recommend percentage rate changes to apply to the three (3) jurisdictions.[2] Each jurisdiction, however, will have the ultimate authority to approve the JPA's rate change recommendation (i.e., at the city council or board of supervisor level).[3]

[2] For base year reviews, there would be one recommended rate change for the City of South Lake Tahoe and Douglas County, and one recommended rate change for El Dorado County. For interim year reviews, there would be one recommended rate change for the City of South Lake Tahoe and El Dorado County, and one recommended rate change for Douglas County.

[3] Interim year rate setting for the City of South Lake Tahoe and Douglas County is procedural and does not require a rate hearing. Interim year rate setting for El Dorado County does require a rate hearing.

The franchised hauler, South Tahoe Refuse Company, Inc., has three (3) divisions as shown in **Table 1-1,** left. The South Tahoe Refuse Company represents the division covered by this manual.

The JPA intends for this manual to be revised over time, as needed, to reflect changes in objectives or modifications to the franchise agreements.[4]

B. Rate Setting Goals

The primary goal of the rate setting process and methodology is to determine solid waste collection rates which are fair to customers and which provide a fair return to the franchise hauler. A total of six (6) rate setting process goals were considered in developing this rate setting methodology:

1. The JPA and franchised hauler should start with a **strong and committed partnership.** The JPA and franchised hauler should view this franchise as a business partnership where both parties commit to use the formal rate setting methodology, and plan continuous communication on rate setting throughout the franchise term.
2. Rates requested by the franchise hauler must be **justifiable and supportable.** A formal request to change rates, submitted by the franchise hauler, should provide the basis for all rate changes, include only allowable and necessary costs, and provide accountability for expenditures. In determining rates, the JPA shall consider both the need for fairness to the ratepayer and the need to compensate the franchise hauler fairly and consistently with the methodology.
3. The estimated costs of service, and resulting solid waste rates, should be **reasonable.** The JPA acknowledges that maintenance

[4] Should the JPA dissolve at any time in the future, the three jurisdictions have indicated a preference to continue to use this manual on a jurisdictional basis. Jurisdiction-specific rate setting would require some modifications to the methodology in that STR would have to allocate its revenues and costs to each jurisdiction.

of quality service is related to providing adequate compensation, and financial incentives, for continued good performance. Revenues generated should be adequate to fully meet reasonable costs-of-service. The resulting monthly fees for solid waste collection service should be comparable to those charged in other jurisdictions for providing similar services.

4. The process should be kept as **simple** as possible, while ensuring that any rate request is justifiable and reasonable. The process should be easy to explain and not place an undue cost on either the JPA, the jurisdictions, or the franchise hauler to implement. The process also should minimize administrative efforts of the JPA, and its jurisdictions.

5. The rate setting process should **provide mechanisms for ongoing rate review and rate stability.** A periodic, formal, and thorough JPA review (every three years) of financial and operating data will set an expectation for the hauler and ultimately will protect the ratepayer. These reviews should be conducted consistently and in accordance with set schedules in the manual. The process should prevent large, unexpected fluctuations in rates due to changes in costs or from the need to fund a broadening scope of waste management services. This formal process also serves to meet the fiduciary responsibility of the JPA, and individual jurisdictions, to its ratepayers.

6. The JPA and franchised hauler should strive to **maximize opportunities to improve performance and service quality** while maintaining cost competitiveness in the marketplace. In a "cost-plus-profit" contract such as exists between the jurisdictions and franchised hauler, there can be less incentive for the hauler to decrease costs because increases in allowable costs actually result in increases in allowable operating profit levels. Ideally, the JPA, and the hauler, should set rates in a base year, and the hauler should attempt to reduce its costs in subsequent years.

C. Rate Setting Policies

The JPA will use the following eight (8) policies when setting rates:

1. **Use the Operating Ratio Method to Determine Profit** – The JPA will use the operating ratio (OR) method to establish revenue requirements for setting rates. The operating ratio establishes revenue requirements based on allowable expenses and is defined as follows:

$$\textit{Operating ratio} = \frac{\textit{Allowable expenses}}{\textit{Allowable expenses} + \textit{Profit}}$$

The operating ratio effectively determines the profit allowed to the franchise hauler on operating costs. Total revenue requirements then are determined as the sum of: (1) allowable operating costs, (2) allowable profit, and (3) pass-through costs (for which the franchise hauler receives no profit). Specific operating ratios are provided in Exhibit 1-1 on page 1-10.

2. **Do Not Allow Retroactive Rate Increases** – There will be no allowance for a retroactive increase in rates, except by special agreement, or by party default. Retroactive reimbursements can move rates out of alignment with the actual costs of providing service. This process and methodology codifies strict rate review timelines and responsibilities. If the JPA, jurisdictions, and hauler adhere to these timelines for submission and rate change approval, and no party defaults on these timelines, all future rates should be established such that there is no need for retroactive rate increases.

3. **Do Not Allow Balancing Accounts** – This rate setting process is based on projecting results during base years. Thus, actual base year results likely will differ from base year projections. In some regulatory environments, these differences are "balanced" in subsequent years by using a balancing account.

   Balancing accounts are occasionally used in the waste industry as an accounting-based approach to true up a previous year's

projections to actual financial results. A balancing account can then be used to address differences between actual and projected results. A balancing account requires substantial administration, reporting, and control measures which determine how funds in the account are invested and managed.

When a balancing account is established, terms and conditions related to these accounts are clearly documented as part of a rate setting process and methodology manual. Also, terms and conditions are specifically incorporated by reference into contractual agreements between the respective parties.

The problem with balancing accounts is that by funding surpluses and deficits using rate revenues, rates charged to customers ultimately do not reflect the true cost of providing service to customers because they include retroactive components. Over time, current ratepayers can end up ultimately subsidizing, or benefiting from, prior generations of ratepayers. For example, if rates are raised to pay off a balancing account, then current ratepayers bear the responsibility of what previous ratepayers should have paid for initially.

Municipal finance principles generally require a strong nexus between (1) cost-of-service and benefits and (2) cost-of-service and rates. Use of a balancing account generally breaks down this nexus and results in rate inequalities.

A balancing account also frequently is less useful when a long-term franchise exists. With a long-term business partnership, there is less need to recover variances between actual and projected results on a year-to-year basis. These variances can often be absorbed over the course of a long term franchise, such as is the case between the jurisdictions and franchise hauler.

Balancing accounts are not designed to account for differences between "rates asked for" and "rates received." They also are not designed for accounting for differences between "rates received" and "a fair rate of return." Balancing accounts, by their very nature, result in retroactive rates, which do not reflect cost-of-service based rates.

4. **Do Not Allow Fuel Surcharges** – There will be no separate "fuel surcharges" added to rates to account for increases in fuel costs. Fuel surcharges create accounting problems (e.g., which fuel index to use, over what time period to use the index, and determining what portion of the rate that fuel costs represent). Fuel surcharges require separate accounting from allowable rate changes which may already reflect compensation to the franchise hauler for changes in fuel costs (e.g., as part of a CPI-based rate change during interim years). Fuel surcharges lag actual changes in fuel prices (by as much as one year), so changes in the fuel surcharge are disconnected from current changes in fuel prices. Fuel costs typically represent a relatively small portion of the overall rate charged (less than ten (10) percent), minimizing the impact of fluctuating fuel prices on overall rates. Finally, once established, fuel surcharges can linger within rates during periods when fuel prices are stable and when a fuel surcharge is not necessary.

5. **Analyze Related Party Transactions** – The company has certain related-party transactions with affiliates. The company must disclose all related party transactions as part of the rate setting process.

   The JPA will allow only those transactions with these related parties which are "market based." The JPA will assess whether related party transactions are conducted on an "arms length" basis, equivalent to terms as with an unrelated party in the conditions of a competitive, free market, environment. STR related parties are identified in **Table 1-2,** on the next page.

   During its review, the JPA may request that STR provide the following information in support of related party transactions:

   - ☐ Allocation methods used, if applicable

Table 1-2
STR Related Parties and Transactions

Related Company	Relationship/Transaction
Douglas Disposal, Inc. (DDI)	■ Owned by same ownership group as STR ■ STR leases facility space to DDI ■ STR leases office space to DDI ■ STR leases computers to DDI ■ STR loans money to DDI
Tahoe Basin Container Service (TBC)	■ Owned by same ownership group as STR ■ STR leases facility space and equipment to TBC ■ STR leases office space to TBC ■ STR rents computers to TBC ■ STR loans money to TBC
American River Disposal (ARD)	■ Owned by same ownership group as STR ■ STR leases office space to ARD ■ STR leases computers to ARD ■ STR provides office contract labor to ARD
Sierra Disposal Service (SDS)	■ Owned by same ownership group as STR ■ STR leases office space to SDS ■ STR leases computers to SDS

- ☐ Nature, extent, and magnitude of the relationship
- ☐ Terms of the related party transaction (e.g., timing of payments, term length)
- ☐ Historical information (e.g., ownership)
- ☐ Date of acquisition (if applicable)
- ☐ Purchase price of item (if applicable)
- ☐ Financing terms for item (if applicable).

The JPA may require STR to provide up to three (3) comparable lease rates for leases of facilities and equipment. For related party company leases, the JPA may require STR to identify financing charges, or profit components, within these lease rates. STR should be prepared to support the business purpose for each related party transaction.

The JPA will examine how related party transactions are treated for rate setting purposes in the *Base Year Rate Application.* The JPA will assess whether related party transactions already have a profit component on them, and if so, treat these related party transactions as pass-through costs (without a profit component) to avoid a "double counting" of profit.

The JPA will consider all of the above factors in determining whether the related party transaction is an allowable cost and is charged at a reasonable amount.

6. **Account for Prior Resource Recovery Facility (RRF) Rate Funding** – For each of the three consecutive years of 2005, 2006, and 2007, each of the three jurisdictions approved a nine (9) percent rate increase for STR. The first of these three nine (9) percent rate increases, implemented in 2005, was provided to fund general STR cost increases. For the second nine (9) percent rate increase implemented in 2006, a total of six (6) percent of this nine (9) percent rate increase was provided to fund operating and capital costs of the Resource Recovery Facility (RRF) project. For the third nine (9) percent rate increase, implemented in 2007, a total of six (6) percent of this rate increase also was provided to fund operating and capital costs of the Resource Recovery Facility (RRF) Project.

   For 2006, and 2007, El Dorado County and Douglas County required that STR pay the six (6) percent rate increase, which was provided to cover the RRF, to the JPA. The JPA then released these amounts back to STR upon completion of certain RRF project milestones.

   For 2006, and 2007, the City of South Lake Tahoe required that STR pay the six (6) percent rate increase, which was provided to cover the RRF, to the City of South Lake Tahoe. The City of South Lake Tahoe then released these amounts back to STR upon completion of certain RRF project milestones.

Table 1-3
Recycling Revenue Bonus Amounts
For Extraordinary Diversion
(2012 to 2018)

Years	Minimum Diversion Rate To Achieve 25% of Recycling Revenue Share	Minimum Diversion Rate To Achieve 50% of Recycling Revenue Share
2012 to 2014	38	44
2015 to 2016	40	47
2017 to 2018	43	50

STR received these RRF-related funds and collected project revenues in excess of project expenses totaling $4,722,285. The RRF project was completed in April, 2010.

Beginning at the next base year (2012), STR will include a credit to JPA jurisdiction ratepayers of $787,048 each year through the end of 2017. This amount was determined by dividing the credit of $4,722,285 by six years. The credit amount of $787,048 will be applied to the base year rate in 2012 and 2015. This means that in each base year, the $787,048 amount will be reset as a credit line item in the base year rate application.

7. **Use Recycling Materials Sales Revenue Sharing** – There will be a recycling revenue bonus which is tied to STR diversion levels. In addition to the calculation of allowed profit, STR is allowed the recycling revenue bonuses shown in **Table 1-3,** below. For years 2019 and beyond, the JPA will reassess whether the recycling diversion rates, which trigger revenue sharing, remain sufficient to meet State of California diversion requirements. For 2019 and beyond, the JPA may adjust the diversion rates, which trigger revenue sharing, upward by up to three (3) percent per year to achieve greater State of California diversion requirements.
8. **Eliminate Annual Summary Report** – Beginning in 2010, STR will no longer be required to submit an Annual Summary Report as had been the required practice dating back to the original 1996 Manual version.
9. **Unforeseen Circumstances** – The JPA and/or the three jurisdictions shall consider a proposed revision in STR's rates whenever STR establishes to the satisfaction of the JPA and/or each jurisdiction that unforeseen circumstances have arisen that have or will materially affect STR's costs or revenues under this rate manual.

D. Rate Application Process

1. Base Year Process

The JPA requires that the franchise hauler submit a detailed *Base Year Rate Application* once every three (3) years. With the *Base Year Rate Application*, the franchise hauler provides detailed financial and operating information which is carefully reviewed and analyzed by the JPA. These detailed reviews are referred to as "base year reviews" in the methodology.

With the *Base Year Rate Application*, the franchise hauler submits audited financial statements for the previously completed fiscal year. These statements serve as the base documents for the application. The franchised hauler should reconcile financial information contained in the *Base Year Rate Application* with the audited financial statements to provide assurance that all of the company's activities are accounted for.

The timing of the base year process is shown in **Figure 1-1,** on the next page. The schedule is expected to start with submission of the *Base Year Rate Application* on May 31st of the year proceeding each base year. The process targets an implementation date of January 1st of the base year.[5]

[5] For Douglas County, the maximum rate increase is 9.9 percent before the County must take the increase to the County citizens for a vote of approval.

Figure 1-1
Timing of Base Year Process

Step	Description	Preparation		30-Day Review	Review Process					
		April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1	Prepare and Submit Rate Application									
2	Verify Completeness of Rate Application									
3	Review Rate Application and Prepare Response									
4	Prepare Draft Report and Final Report									
5	Prepare Final Report to JPA Board									
6	Notify Customers of Rate Hearing									
7	Receive Approval from City Council and County Boards									
8	Implement New Rates									

Table 1-4
Base Year Financial Statement Requirements
(Fiscal Year Ending June 30)

Base Year	Prior Year (Audited)	Current Year (Estimated)	Base Year (Projected)
2012[6]	2010	2011	2012
2015	2013	2014	2015
2018	2016	2017	2018
2021	2019	2020	2021
2024	2022	2023	2024
2027	2025	2026	2027

The *Base Year Rate Application* requires three (3) years of data, including a year of actual data (based on audited information), a year of estimated data (based on year-to-date information available at the time the application is submitted), and the projection, or base year. The required years, and types, of data for upcoming base year reviews are displayed in **Table 1-4,** above. For example, for the 2012 base year, STR would prepare the *Base Year Rate Application* using audited 2010 data, estimated year-to-date 2011 data, and entirely projected 2012 data.

STR operates on a fiscal year ending June 30. Thus, for the current year, STR should have available the first three quarters of compiled, not audited, fiscal year data to use for its current year estimate (i.e., data through March of the current year).

2. Interim Year Process

In each of the "interim" two (2) years between "base" years, should the franchised hauler want to increase rates, the JPA requires that the franchise hauler submit an *Interim Year Rate Application* for an interim year rate change. The scope and content of the *Interim Year Rate Application* is much more limited than a base year request. The franchised hauler is not obligated to request an increase in rates and can instead request to leave rates unchanged.

[6] Represents the fiscal year ending June 30, 2011.

Figure 1-2
Timing of Interim Year Process

Step	Description	Preparation	Review Process			
		Aug.	Sep.	Oct.	Nov.	Dec.
1	Prepare and Submit Rate Application					
2	Prepare Draft Report and Final Report					
3	Receive Approval from City Council and County Boards					
4	Implement New Rates					

During the interim years, STR shall be entitled to increase its rates based upon the following formula:

(1) eighty-five (85) percent of the annual percentage change in the most recent actual, not forecasted, change in the Consumer Price Index, All Urban Consumers, U.S. City Average - Garbage and Trash Collection (December 1983=100, series CUUR0000SEHG02) ("CPI") applied to costs other than landfill disposal costs, plus

(2) projected changes in landfill disposal costs.[7]

For the first part of the calculation (noted as (1) above), the JPA and franchised hauler will use the percentage change in the CPI for the prior June to June twelve-month period. This June to June CPI data will be available at the time the franchised hauler submits the *Interim Year Application* in August (see Exhibit A-4, for sample of CPI percent change calculation).

Interim year rate adjustments are subject to a "floor" and a "cap." During interim years, rates shall not be greater than six (6) percent nor less than one (1) percent, regardless of the rate change calculated by the interim year formula.

The timing of the interim year process is shown in **Figure 1-2,** above. The schedule is expected to start with submission of the *Interim Year Rate Application* on August 31st of the year proceeding the interim year. The process targets an implementation date of January 1st of the interim year.

[7] These landfill disposal costs are currently set by a non-related party to STR, under a long-term disposal agreement.

E. Allowable and Non-Allowable Costs

Rates are established for each base year based on the hauler's projected revenue requirement. The revenue requirement is defined as the sum of the following:

- Allowable costs
- Allowable operating profits
- Pass through costs.

For purposes of computing the revenue requirement, it is necessary to determine which of the franchise hauler's costs are (1) allowable costs, (2) pass through costs, and (3) non-allowable costs.

1. Allowable Costs

When a cost is said to be "allowable," that cost, plus a profit component associated with that cost, is included in rates charged to the ratepayers. Allowable costs are often those costs that are integral to the hauler's operation and/or are associated with actual activity performed by the hauler.

Table 1-5
Allowable Depreciation Methods and Useful Lives for STR Assets Purchased After January 1, 2010

Category	Method	Useful Life (Years)
Carts	SL[8]	5
Office Equipment	SL	5
Vehicles and Equipment	SL	8
Buildings and Leasehold Improvements	SL	20

The hauler is allowed to earn a profit on certain costs. The majority of allowable costs are direct labor, equipment costs and facility costs, landfill disposal costs, office salaries, and general and administrative costs. These allowable costs are defined in **Exhibit 1-1,** on the following page. **Exhibit 1-2,** following Exhibit 1-1, includes a chart of expense accounts (based on current STR financial statements) for allowable costs, which serves to further clarify categories of allowable costs.

The following costs are clarified because of their special treatment for rate setting:

- **Depreciation** – **Table 1-5,** above, shows depreciation methods and useful lives, by asset type, recommended for rate setting purposes. Current methods used to depreciate capital items, which were in use prior to this version 2.0 of the manual, are allowed to continue. Useful lives in Table 1-5 are for new capital purchases (i.e., those made during and after 2010).
- **Officer's Salaries** – Reasonable officer's salaries are considered an allowable cost. Officers are employees fully performing management functions identified in the franchise agreement. Officer's salaries include base compensation plus bonuses and do not include profit distributions to owners. The JPA shall set the total combined officer's salaries for the franchise hauler, at a reasonable level, during each base year. For purposes of establishing base year rates, the total amount of officer's salaries of six (6) percent of gross revenues is deemed reasonable.[9]
- **Materials Recovery Facility and Resource Recovery Facility Capital Costs** – The rate treatment of equipment and building costs associated with the STR Materials Recovery Facility (MRF) and Resource Recovery Facility (RRF) is summarized in **Table 1-6,** on page 1-13. These rate treatment provisions are based on the agreed upon terms and conditions at the time the MRF and RRF were constructed.
- **Blue and Green Bag Program Costs** – STR currently provides blue bag curbside recycling services to JPA customers. STR collects these blue bags with the refuse container and sorts the materials at its Materials Recovery Facility (MRF). Blue bags are, however, currently paid for by the jurisdictions themselves and not STR. For the blue bag program, the costs for blue bags are not included in current rates charged to JPA customers.

  STR plans to roll out a yardwaste program, with or without the green bags also collected with the refuse container. Materials from the yardwaste program will be sorted at STR's Resource Recovery Facility (RRF). For the yardwaste program, the costs for green bags are not included in current rates charged to JPA customers.

  During the next rate review, blue bag and yardwaste program revenues and costs will be fully reflected in the rates charged to JPA customers. The full costs of the blue bag and yardwaste programs will be

[8] Represents straight-line depreciation.

[9] Currently, officer salaries have been limited to an agreed upon amount specified in the franchise agreements to be adjusted annually by a CPI. STR distributes the officer salaries, under its discretion, within the limit allowed under the current franchise agreements for the City of South Lake Tahoe, El Dorado County, and Douglas County. Providing for officer salaries of 6 percent of gross revenues will provide about the same limit for officer salaries as the allowable amount specified in the franchise agreements.

Exhibit 1-1
Definition of Financial Terms

Application Line Number/Item	Definition
	Allowable Operating Costs
1. Direct Labor	Wages, and related benefits, paid to refuse collection staff, including wages, overtime, payroll taxes, health and welfare benefits, workers compensation, and pension benefits.
2. Equipment Costs and Facility Costs	Includes cost of equipment depreciation, equipment leases, equipment insurance, equipment repair and maintenance, fuel, and other miscellaneous equipment expenses. Facilities expenses consist of building rent, building depreciation, and building repair /and maintenance.
3. Landfill Disposal Costs	Costs to dispose of solid waste at landfills.
4. Office Salaries	Wages, and related benefits, paid to office and administrative staff, including wages, overtime, payroll taxes, health and welfare benefits, workers compensation, and pension benefits.
5. General and Administration Costs	General and administrative costs including: ■ Advertising ■ Collection fees ■ Contract labor ■ Dues and subscriptions ■ Employee education ■ General insurance ■ Office repair and maintenance ■ Officer salaries and benefits (less than or equal to six (6) percent of gross revenues) ■ Professional fees ■ Property taxes ■ Office expense ■ Licenses ■ Supplies ■ Travel ■ Utilities.

Exhibit 1-1
Definition of Financial Terms *(continued)*

Application Line Number/Item	Definition
	Allowable Operating Profit
Operating Ratio (OR)	For the City of South Lake Tahoe and Douglas County, a profit is allowed based on a sliding scale which varies with STR's recovery percentage as follows: Operating Ratio — Recovery Percentage 94.34 — 0-15% 93.90 — 16 93.46 — 17 93.02 — 18 92.59 — 19 92.17 — 20 91.74 — 21 91.32 — 22 90.90 — 23 90.50 — 24 89 — 25-28 88 — 29-32 87 — 33-100 For El Dorado County, a profit is allowed, based on a targeted operating ratio ranging between 87 and 91 percent. For El Dorado County, in the base year, if rates remain unchanged at an operating ratio within the range of 87 to 91 percent, and the franchise hauler actually realized an operating ratio within this range, then that same operating ratio resulting in no rate change is used, and no rate change occurs. Otherwise, an 89 percent operating ratio is used for the base year calculation. For El Dorado County, the operating ratio for the first base year (2012) will be set at 89 percent.
Allowable Operating Profit	Established by the allowable operating ratio and equal to total allowable costs divided by the allowable OR, less total allowable costs.
	Pass Through Costs
MRF and RRF Principal Payments	For the City of South Lake Tahoe and Douglas County, principal payments on debt used to finance the Materials Recovery Facility (MRF) and Resource Recovery Facility (RRF). For El Dorado County, principal payments on the debt used to finance the MRF and RRF will be allowed with profit.
Interest Expense	For the City of South Lake Tahoe and Douglas County, interest on debt used to finance all STR operations. For El Dorado County, interest on the debt used to finance the MRF and RRF will be allowed with profit.
Franchise Fees	Equal to five (5) percent of gross residential, commercial, and recycling revenues for the City of South Lake Tahoe and El Dorado County, and three (3) percent of gross residential, commercial, and recycling revenues for the Douglas County.[10]
Resource Recovery Facility Fund Credit	Rates will be reduced by an amount of $288,121 (plus after tax interest) for each year between 2012 and 2024

[10] This franchise fee amount is subject to change by any of the three (3) JPA jurisdictions.

Exhibit 1-2
Chart of Accounts
for Allowable Operating Costs

Category	Description
Direct Labor	■ Direct Labor ■ Direct Labor Benefits ■ Direct Labor Insurance ■ Direct Labor Workers Compensation ■ Direct Labor Pension ■ Direct Labor Payroll Taxes
Equipment Costs and Facility Costs	■ Equipment and Facility Depreciation ■ Property Rent ■ Equipment Rent ■ Fuel ■ Repairs and Maintenance
Landfill Disposal Costs	■ Dump Fees
Office Salaries	■ Office Staff Salaries ■ Office Staff Benefits ■ Office Staff Insurance ■ Office Staff Workers Compensation ■ Office Staff Pension ■ Office Staff Payroll Taxes
General and Administrative Costs	■ Advertising ■ Contract Labor ■ Dues and Subscriptions ■ Employee Education ■ General Insurance ■ Office Expense ■ Officer Salaries ■ Other Administrative Costs ■ Licenses and Fees ■ Property Taxes ■ Supplies ■ Travel ■ Utilities

Table 1-6
Materials Recovery Facility and Resource Recovery Facility
Capital and Operating Cost Treatment

Description	Rate Setting Treatment
Materials Recovery Facility and Resource Recovery Facility Depreciation	
Equipment Depreciation[11]	Allowable with Profit
Building Depreciation	Non-Allowable Cost
Materials Recovery Facility and Resource Recovery Facility Building Financing[12]	
Interest	Pass-Through Expense
Principal	Pass-Through Expense
Materials Recovery Facility and Resource Recovery Facility Equipment Financing	
Interest	Pass-Through Expense
Principal	Non-Allowable Cost

[11] Includes reasonable depreciation on equipment used in the Materials Recovery Facility and Resource Recovery Facility.

[12] Includes debt financing on loans provided by the South Lake Tahoe Basin Waste Management Authority. For El Dorado County's portion of the debt financing, these MRF and RRF financing amounts will be treated as an allowed cost.

considered an allowable cost (with profit) for rate setting purposes. STR will then thereafter purchase and provide the blue and/or green bags to its customers as determined by the JPA. The individual jurisdictions will no longer be required to purchase and provide blue and/or green bags to their customers.

2. Pass Through Costs

Pass through costs are costs included in rates charged to customers, however these costs do not have an associated profit component. Pass through costs are generally transactional in nature and often are thought of as costs not associated with any significant effort performed by the hauler. The following pass through costs do not earn a profit, but are included in determining total revenue requirements to establish solid waste rates:

- MRF principal payments (City of South Lake Tahoe and Douglas County)[13]
- RRF principal payments (City of South Lake Tahoe and Douglas County)[13]
- Interest expense[14]
- Franchise fees
- RRF fund credit
- Franchise fees.

3. Non-Allowable Costs

Non-allowable costs are not allowed in rates charged to ratepayers. These costs are disallowed because (1) they may not be associated with the core business, (2) they may be included implicitly in the profit level allowed by the JPA, or (3) they may unnecessarily complicate rate regulation (e.g., income taxes). Costs shown in **Exhibit 1-3,** on the next page, are not allowable for rate setting, and as a result will not be passed onto ratepayers.

[13] For El Dorado County, principal payments on the MRF and RRF financing are allowable costs.

[14] For El Dorado County, interest on the MRF and RRF financing is an allowable cost.

Table 1-7
Recommended STR Allocation Methods For Costs Shared with Other Non-JPA Serviced Jurisdictions

Cost Category	Allocation Method
Billing costs	Number of bills processed
Disposal costs	Actual tonnage
Equipment costs (e.g., rental, leases, parts, fuel, supplies, tires, repair and maintenance, licenses, permits)	Truck usage (over representative period)
Franchise fees	Revenues multiplied by fee percentage
General and administrative costs, management fees	Direct labor hours
Loans	Revenues

4. Cost Allocations and Methodologies

The franchised hauler should provide supporting documentation and rationale for the allocation of expenses between the franchised areas covered by this manual and non-JPA areas serviced by South Tahoe Refuse Company. Examples of the types of expenses which may require justification for allocations may include:

- Billing costs
- Disposal costs
- Equipment costs
- General and administrative costs
- Loans to or from affiliates
- Loans to or from officers
- Management fees.

The franchised hauler should be prepared to provide a reasonable and supportable methodology for these cost allocations. **Table 1-7,** above, provides recommended allocation methods for various costs which may be shared between JPA and non-JPA jurisdictions.

Exhibit 1-3
Non-Allowable Costs

Category	Description
Amortization of Franchise Purchases	Consistent with the waste management industry, the JPA disallows amortization of franchise purchases because the operating ratio is designed to provide a return to the company sufficient to compensate for the company's investment in the business.
Charitable and Political Donations	■ Costs associated with attempting to influence the outcome of any federal, state, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activities. ■ Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purposes of influencing the outcomes of elections.
Entertainment Expenses	Costs incurred in hosting social events for clients or suppliers. Examples include costs of tickets, concerts, athletic events, or other performances; room rentals; cruises; entertaining guests at athletic, social, or sporting clubs and on vacation or other similar trips.
Fines and Penalties	Costs associated with violations of, or failure of, the hauler to comply with federal, state, local, or foreign laws and regulations. This category of non-allowable costs can also include costs in connection with alteration or destruction of records, or other false or improper charging or recording of costs.
Income Taxes	The operating ratio is provided on a pre-tax basis. To allow income tax expense would unnecessarily add complexity to the rate review process.
Cost of Repairs Due to Operator Negligence	Costs of negligence on the part of the hauler which could include accidents or property damage.
Costs Incurred to Serve Other Jurisdictions (i.e., for non-JPA areas served by STR (e.g., Forest Service areas))	The franchised hauler will be compensated for only those costs that can be directly attributable to operations within the franchised boundaries. The franchised hauler should have a clear basis for allocating shared costs to the franchise areas covered by this manual, and those franchised areas not covered by this manual.

The JPA will assess reasonableness of the revenue and cost projections provided by the franchised hauler in its *Base Year Rate Application*. Examples of types of factors the JPA will consider when assessing reasonableness of projected revenues and costs are shown in **Table 1-8,** on the next page.

Table 1-8
Base Year Rate Review
Revenue and Cost Projection Factors

Description	Factors to Consider in Developing Revenue and Cost Projections
Revenues	
Residential and commercial revenues	■ Projected account growth based on historical account trends, or population trends ■ Historical changes in tonnage (particularly for the industrial sector)
Recycled materials sales revenues	■ Historical changes in recycled materials volumes ■ Recycled commodity pricing trends (may be highly volatile)
Costs	
Direct labor	■ Projected increases in wage rates ■ Planned changes in insurance rates ■ Planned changes in benefit rates
Equipment costs and facility costs	■ Historical average trends in costs (last three years) ■ Inflation rates ■ Fuel price history ■ Depreciation schedules ■ Equipment replacement plans
Landfill disposal fees	■ Historical changes in refuse tonnage ■ Tipping fee rate increases, per contract
Office salaries	■ Projected increases in wage rates ■ Planned changes in insurance rates ■ Planned changes in benefit rates
General and administrative costs	■ Historical average trends in costs (last three years) ■ Inflation rates
MRF principal payments	■ Loan documents
Interest expense	■ Borrowing rates ■ Loan documents
Franchise fees	■ Projected changes in revenues multiplied by the fee amount







Section 2

Base Year Rate Setting Process

2. Base Year Rate Setting Process

This section describes each of the eight (8) steps of the base year rate setting process. Each step includes an overview of the step and a detailed description of the tasks required to complete the step. The section includes eight (8) subsections:

A. *Step 1 – Prepare and Submit Rate Application*
B. *Step 2 – Verify Completeness of Rate Application*
C. *Step 3 – Review Rate Application and Prepare Response*
D. *Step 4 – Prepare Draft Report and Final Report*
E. *Step 5 – Present Final Report to JPA Board*
F. *Step 6 – Notify Customers of Rate Hearing*
G. *Step 7 – Receive Approval from City Council and County Boards*
H. *Step 8 – Implement New Rates.*

A. Step 1 – Prepare and Submit Rate Application

Responsibility: Franchise hauler

Timing: Completed seven (7) months prior to the date new rates become effective

Tasks:
a. Prepare Cost Information
b. Prepare Revenue Information
c. Prepare Operating Information
d. Calculate Allowable Operating Profit
e. Determine Franchise Fee
f. Calculate Revenue Requirement
g. Calculate Net Surplus/Shortfall and Percent Change in Rates
h. Calculate New Percentage Rate Change and Rates
i. Prepare and Submit Rate Application.

Overview

During this step, the franchise hauler prepares the *Base Year Rate Application.* This three-page form includes detailed financial and operating information and is used to determine the actual costs and revenues of the franchise hauler. Blank copies of the *Base Year Rate Application* are provided in **Appendix A (Exhibit A-1).**

Several lines in the application contain four columns. These columns are intended to show the relationship between the most recently completed year, the current year, and projections for the new "base" year. These columns are organized as follows:

- **Column one** includes actual audited information for the franchise hauler's prior fiscal year. This is the most recent year that financial information is available and that actual costs and revenues can be verified.
- **Column two** is for estimating performance during the current fiscal year. The "current year" is the franchise hauler's fiscal year prior to the new base year. The *Base Year Rate Application* is prepared during the course of the current year. Data in this column should include year-to-date performance plus estimated performance during the remaining months of the current fiscal year.
- **Columns three and four** are used to report projected performance during the new base year. This information is entirely a projection and is utilized to determine any rate changes. Projected information should be developed by estimating anticipated service levels during the base year, and determining the revenues and expenses which will be incurred to provide these services. Each cost element in the application should be reviewed and any anticipated change in specific line items should be included in the base year projection. For example, if labor rates are scheduled to change, or if landfill disposal costs are expected to change, these changes should be included in projections for the base year.

The relationship between these four (4) columns for any given line item should be consistent. Any substantial difference between each of the three (3) years should be explained by the franchise hauler and considered by the JPA during the review process.

The franchise hauler should provide a copy of audited financial statements for the prior fiscal year. Financial information from the audit is consolidated into specific categories identified in the application. All financial information shall be in accordance with generally accepted accounting principles. The franchise hauler should prepare supplemental documentation which reconciles the financial audit for the most recently completed fiscal year to information provided in the application. This documentation should be included in the application package.

a. Prepare Cost Information

Cost information from the franchise hauler is provided in the *Base Year Rate Application.* Cost information is reported for the most recently completed fiscal year, the current fiscal year, and the new base year. Information reported in each line item represents the total combined costs for residential, curbside recycling, yardwaste, commercial, transfer station, and RRF services. Segregation of costs by residential, curbside recycling, yardwaste, commercial, transfer station, and RRF services is not required.

Cost information includes:

- **Allowable Costs**
  - Direct Labor (Line 5)
  - Equipment Costs and Facility Costs (Line 6)
  - Landfill Disposal Costs (Line 7)
  - Office Salaries (Line 8)
  - General and Administration Costs (Line 9)
  - MRF Principal and Interest Payments (El Dorado County) (Line 10)
  - RRF Principal and Interest Payments (El Dorado County) (Line 11)
- **Pass Through Costs**
  - MRF Principal Payments (Line 15)
  - RRF Principal Payments (Line 16)
  - MRF and RRF Interest Expenses (Line 17)[1]
  - Franchise Fees (Line 59)
  - RRF Fund Credit (Line 18)
  - Recycling Revenue Bonus (Line 19).

Definitions and specific components of these cost categories are described in Exhibits 1-1 and 1-2, in Section 1.

[1] For El Dorado County, interest on the MRF and RRF financing is an allowable cost.

By aggregating costs into these line items, the JPA, and franchised hauler, can focus on major changes without becoming distracted by large changes in insignificant cost components. For example, if licenses and fees doubled from $10,000 in the current year to $20,000 in the base year (i.e., a 100 percent increase), this might only cause General and Administrative Costs to increase by one percent, resulting in little impact on the overall rate. Minor components of General and Administrative Costs may decrease between the current year and the base year, while others may increase.

If one of the major cost line items in the application changes at an unusual rate, then the franchise hauler should be able to explain the change. An unusual change in cost is any change which is greater than the change in the U.S. City Average Garbage and Trash Collection CPI. The CPI used in the analysis should be based on the most current actual information for the U.S. City Average Garbage and Trash Collection CPI. This information is available from the United States Department of Labor, Bureau of Labor Statistics.

Cost information for the current year, and base year, must account for any increases or decreases in the number of customers served, or tons of waste and recyclable material collected. Actual increases in costs also must be included. For example, if health benefit costs will increase in the base year as a result of increases in premiums, this additional cost should be included.

Cost information provided in the application is used with operating profit to calculate the franchise hauler's revenue requirement. The revenue requirement is equal to the sum of the following three categories:

- Total allowable operating costs
- Allowable operating profit
- Total pass through costs.

This revenue requirement is compared to anticipated revenues. The JPA uses the operating ratio (OR) method to establish revenue requirements for setting rates.

nformation

Revenue information is provided in this task. Similar to cost information, revenues are reported for the most recently completed fiscal year, the current fiscal year, and the projected base fiscal year. Revenues are reported in four (4) separate categories:

- Residential
- Commercial
- Transfer station and RRF revenues
- Recycled material sales.

Revenues in the base year are projected without any changes in rates. Revenue projections are prepared based on existing rates and the number of customers which the franchise hauler anticipates serving in the base year.

1. **Determine Residential Revenues.** To calculate projected residential revenues for the base year, enter the current monthly rates by service type in the first column of cells in lines 22 to 48, on page 2 of 3. Then enter the projected number of accounts by service type in the second column of cells in lines 22 to 48, on page 2 of 3. Total revenues for each service type are calculated based on the following:

	Current rate per month
Multiplied by	Twelve months
Equals	Rate per year

Multiplied by	Projected residential accounts
Equals	Revenues by service type.

Revenues by service type then are entered in the third column of cells in lines 22 to 48, on page 2 of 3. These values then are added together, entered, and totaled in line 49. Residential revenues should reflect all revenues

generated for providing curbside collection services of refuse, recyclables, and yardwaste.

The number of accounts in each service category may change throughout the year. For example, some customers may request one can service part of the year and an additional can during the remainder of the year. The average number of accounts by service type should be used in these calculations. In addition, the number of accounts identified for these calculations must agree with operating data provided in Section VIII (page 3) of the application.

Multi-family can, cart, and bin services, and mobile home park can, cart, and bin services, should be included in residential revenues.

2. **Determine Commercial Revenues.** Commercial revenue information is entered in line 54 of page 2 of 3 of the application. In the first column of this line, actual revenues generated by commercial accounts during the prior year are reported. This year amount must reconcile with the financial audit for that same year. Commercial revenues for the current year are based on actual revenue to-date plus an estimate of the revenues that will be received through the end of the fiscal year. Commercial revenues in the current year should be comparable to revenues in the prior year, after taking into changes in accounts and service levels.

   Projected commercial revenues for the new base year are entered in the third and fourth columns. These amounts, net of any projected uncollectible accounts, are based on the estimated annual revenues received during the current fiscal year plus any additional revenues generated from additional accounts. Operating data provided in Section VIII (page 3) of the application should support any service level changes.

   In order to analyze changes in commercial rates, rate information must be provided for specific commercial services. These services are:

   Bin Service (Compacted and Uncompacted)

   - ☐ 2 Yard Bin—once per week
   - ☐ 3 Yard Bin – once per week
   - ☐ 4 Yard Bin – once per week
   - ☐ 5 Yard Bin – once per week
   - ☐ 6 Yard Bin – once per week.

   In the columns of lines 74 through 78, the franchise hauler enters the rate for these services for the prior year, the current year, and the base year, respectively. Percentage changes then are entered in columns 3 and 6. This information substantiates previously approved changes in commercial rates.

3. **Determine Allowance for Uncollectible Accounts.** The franchise hauler likely will not be paid by all customers served. While this amount is expected to be relatively small, it must be accounted for in the calculation of base year net revenues. These amounts are reported in two places for each service type: on line 50 for the allowance for uncollectible residential accounts, and line 53 for the allowance for uncollectible commercial accounts.

   These amounts can be calculated based on a formula, such as one percent of anticipated revenues, or based on actual experience. Assumptions related to the projection of uncollectible accounts must be documented and included as a supplement to the application.

4. **Determine Transfer Station and RRF Revenues.** Transfer station and RRF revenues are included in the total revenue calculation. In the first column of line 55, actual revenues received during the most recently completed fiscal year are reported. In the second column of line 55, estimated revenues for the current year are reported. For the base year, transfer station and RRF revenues are determined by the best estimate of transfer station and RRF operations during the new base year. The projected revenues are reported in the third and fourth columns of line 55 of the application.

5. **Determine Revenues from Recycled Material Sales.** In addition to revenues generated through residential and commercial services, and from the transfer station and RRF, additional revenues are generated by selling recyclable materials collected through the curbside recycling program. The amount of recycling revenues generated through the sale of these materials is dependent upon the quantity of material collected and the market price for these materials. Both of these factors are outside direct control of the franchise hauler. Therefore, revenues generated by recycled material sales are not subject to an across-the-board rate changes. Revenues generated from charging residential customers for curbside recycling services should not be included here, but should be included as part of residential revenues (#1 above).

   In the first column of line 56, actual revenues received during the most recently completed fiscal year are reported. In the second column of line 56, estimated revenues for the current year are reported. For the base year, revenues from recycled material sales are determined by projecting scrap prices for recycled materials and the anticipated quantity of materials sold. The projected scrap prices are multiplied by the projected volume of materials to be sold to determine projected recycled materials sales revenues. These projected revenues are reported in the third and fourth columns of line 56 of the application.

6. **Calculate Total Revenues.** The calculation of total revenue is as follows:

	Total residential revenues (Line 51)
Plus	Total commercial revenues (Line 54)
Plus	Transfer station and RRF revenues (Line 55)
Plus	Recycled material sales (Line 56)
Equals	Total revenues.

   Total revenues are entered on line 57.

c. Prepare Operating Information

During this task, non-financial operating information is compiled by the franchise hauler. Operating information, requested in the application, provides an important indicator of the franchise hauler's performance. If costs are changing at an unusual rate, operating data may provide some explanation of these changes. For example, cost increases could be attributed to the increased level of service provided (i.e., accounts served). The franchise hauler should provide the following information:

- Number of accounts
- Quantity of refuse tonnage collected
- Quantity of recycling tonnage collected
- Quantity of yard waste tonnage collected
- JPA bins provided.

Similar to cost data, the first year is "historical," the second year is the "current" year, and the third year is the "base" year. Historical data are based on actual annual operating statistics during the most recently complete fiscal year and reflect the same year used in the financial sections of the application. Current year performance is based on performance to-date plus estimated performance for the remaining months of the current year. Projected base year data represents the franchise hauler's best projection of service levels during the new base year.

Year-to-year percentage changes then are determined for each set of operating metrics. The franchise hauler should be able to explain any significant changes. A significant change in an operating characteristic is an increase or decrease of more than two (2) percent.

This information allows both the JPA, and the franchise hauler, to monitor changes in the service characteristics, estimate total revenues at existing rates, and compare these to changes in total costs. The franchise hauler should identify to the JPA any operating information submitted as part of the application that it considers confidential.

d. Calculate Allowable Operating Profit

For the historical year of actual data, the franchise hauler will calculate the actual operating ratio based on the formula below:

	Total allowable costs
	Total allowable costs plus
Divided by	Operating profit
Equals	Operating ratio.

These actual operating ratios on allowable costs will reveal how well past base year projections corresponded to actual results. Similarly, the formula estimated above is used to calculate the operating ratio for the current year (column 2). The actual operating profit received by the franchise hauler in the most recently completed fiscal year is entered on line 13, column 1. The estimated operating profit for the current fiscal year also is entered on line 13, column 2.

To calculate the allowable operating profit in the base year, the equation below is utilized:

	Allowable operating costs
Divided by	Operating ratio
Equals	Allowable operating revenues
Minus	Allowable operating costs
Equals	Allowable operating profit.

The allowable operating profit is entered on line 13, columns 3 and 4 of the application.

In each base year, the operating ratio will range as shown in Exhibit 1-1, which will help stabilize rate changes and afford the franchise hauler an incentive to reduce costs.

e. Determine Franchise Fee

The calculation of the franchise fee is not a straightforward exercise because as revenue is increased (e.g., via a rate change), so does the amount of franchise fees increase because franchise fees are based on a percent of gross revenues. To calculate the franchise fee for the base year requires the hauler to calculate the franchise fee to be paid to each jurisdiction based on the revenues after a rate change is applied. Projected franchise fees should be entered on line 59, columns 3 and 4 of the application.

f. Calculate Revenue Requirement

The revenue requirement establishes the level of revenues needed to meet all allowable costs and operating profit. This includes residential and commercial waste and recycling costs, and assumes a reasonable profit margin based on the operating ratio calculation.

Total revenue requirement (without franchise fees) is determined as the sum of:

- Allowable operating costs (Line 12)
- Allowable operating profit (Line 14)
- Pass through costs (Line 20).

The revenue requirement (without franchise fees) is entered on line 21 of the application.

g. Calculate Net Surplus/Shortfall and Percent Change in Rates

The net surplus/shortfall is determined based on the following calculation:

	Revenue requirement (Line 21)
Less	Total revenues (Line 57)
Plus	Residential and Commercial Franchise Fees (Line 59)
Equals	Net surplus/shortfall (Line 60).

The projected amount of revenue generated during the base year from the sale of recycled materials was calculated in Step 1, #5 of subsection b.; therefore, any increase or decrease in revenues required must come from an increase or decrease in rates.

If applicable, the percent change in existing rates is calculated as follows:

	Net surplus/shortfall (Line 60)
Divided by	Total revenues without change (Line 61)
Equals	Percent change in rates (Line 62).

The percent change in rates is entered on line 62 of the application.

h. Calculate New Percentage Rate Change and Rates

If applicable, the percentage rate change identified on page 2 of 3, line 62 should be entered on page 1 of 3, line 1 of the *Base Year Rate Application.* Current residential rates for solid waste collection should be entered on page 1 of 3. The adjusted rates for each jurisdiction then are calculated by multiplying the current rate by one plus the rate change identified in line 1.

To determine new residential rates on page 1 of 3, column one should be added to column two and the result should be entered in column three. This column provides the new rate schedule. Complete current and revised commercial rate schedules should be provided by the hauler as an attachment to the application.

i. Prepare and Submit Rate Application

The franchise hauler submits the completed *Base Year Rate Application* to the JPA. The application should include the following items:

- **Management Representation Letter.** The management representation letter transmits the application to the JPA, and should provide a listing of included documents. The letter should identify the requested adjustment in rates and include a discussion of specific issues which impact new rates (e.g., significant increases in labor costs). The letter should state that:
  - ☐ Management reviewed and accepts responsibility for the rate application
  - ☐ The application is based upon management's judgment of the most likely set of conditions and course of action
  - ☐ All significant relevant information are made available
  - ☐ Assumptions are reasonable and are accurate.

  An authorized representative from the franchise hauler should sign and date the application. This signature provides a certification of the franchise hauler that the application is complete, accurate, and consistent with the instructions provided in this manual.
- **Base Year Rate Application.** The franchise hauler should provide a *Base Year Rate Application,* including completed application forms and supporting documentation. Supporting documentation includes the current and proposed rate schedules for residential and commercial customers.
- **Supplemental Audited Financial Information.** For applications received after 2010, audited financial statements for the most recently completed fiscal year should be included, as well as other documentation which support operating and financial data provided in the application. Because audited financial statements serve as base documents for the application, statements of revenues, expenses, and other reports contained in the application shall be reconciled to the audited financial statements to provide assurance that all activities are accounted for.

  Once the application materials have been prepared, the franchise hauler submits three (3) reproducible hard copies and one disk copy formatted to the JPA's specifications. They are submitted to the JPA. The thirty (30) day review for completeness will begin upon receipt of the application.

B. Step 2 – Verify Completeness of Rate Application

Responsibility: JPA

Timing: Completed within thirty (30) days after the rate application is submitted

Tasks: a. Verify Financial Data and Format
b. Verify Supporting Documents and Schedules
c. Notify Franchise Hauler.

Overview

During this step, the JPA ensures that the application has been fully completed by the franchise hauler and that the data provided are consistent. During the 30-day period, the JPA will obtain from the franchise hauler any information necessary to complete the application.

a. Verify Financial Data and Format

The JPA staff reviews the application package to determine if it is complete and ready for analysis. Detailed analysis of the contents of the application occurs during Step 3.

The JPA reviewer should determine the following:

- Has the applicant included all required forms?
- Are all forms complete?
- Are audited financial statements included?
- Are all financial calculations mathematically correct?

b. Verify Supporting Documents and Schedules

Various documents may be included in the application package to support the rate change. The purpose of these supporting documents should be clearly identified by the franchise hauler.

c. Notify Franchise Hauler

If the application is complete, the JPA will notify the franchise hauler that it will begin the process of evaluating the application. If incomplete, the JPA will attempt to obtain from the hauler additional required information within the 30-day verification period. A revision of rates shall not be authorized until the 1st day of the first calendar month following a six (6) month period from the date that an application is verified to be complete.

C. Step 3 – Review Rate Application and Prepare Response

Responsibility: JPA

Timing: Completed within one and one half (1½) months after determining that the application package is complete

Tasks: a. Review Actual and Projected Revenue Requirements
b. Review Actual and Projected Revenues
c. Review and Verify Operating Ratio
d. Determine Components of Requested Change in Rates
e. Review Performance Data
f. Request Additional Data and Clarification, if Necessary
g. Document Staff Review.

Overview

During this step, JPA staff evaluates the entire rate application. This review includes examining significant changes in costs or operating performance and evaluating explanations of these changes provided by the franchise hauler.

a. Review Actual and Projected Revenue Requirements

In this task, costs and operating profits are reviewed and analyzed for reasonableness. Reconciliations of costs to audited financial statements are checked for consistency. Explanations

are sought from the franchise hauler for items significantly different than would otherwise normally be expected.

Percentage changes in costs for the three years identified on the application should be calculated and reviewed. Projections prepared from previous years in prior *Base Year Rate Applications* are compared with actual results. Costs are correlated with operating collection efficiency statistics provided by the franchise hauler.

Any unusual trends or variances in aggregate areas should be explained by the franchise hauler. An unusual increase would be a change in cost which is greater than the change in the Trash and Garbage Collection CPI, published by the Bureau of Labor Statistics, and which cannot be attributed to changes in the number of customers serviced or tons of waste or recyclable materials collected. If these unusual changes are not adequately explained in the application, the JPA should request additional clarification from the franchise hauler.

The JPA should review the allocation methodology used by the franchise hauler to allocate costs between (1) franchise areas that are the subject of this manual, and (2) non-JPA areas serviced by STR. At a minimum, the JPA should check that allocations used to assign costs to franchise area customers are reasonably consistent with other operating metrics such as average number of accounts and tons collected.

b. Review Actual and Projected Revenues

The JPA should review actual and projected revenues in this task. Current rates provided in the application are verified. Any changes in the number of customers serviced should be identified and explained by the franchise hauler.

The application requires the franchise hauler to report three years of revenues: (1) actual prior year, (2) estimated current year, and (3) projected "base" year. For applications received after 2010, the JPA should reconcile the most recent year revenues with audited financial statements. Revenues for the current year are compared with year-to-date un-audited financial statements and documentation supplied by the franchise hauler. Projected revenues for the third, or "base" year, are evaluated by the JPA for reasonableness. Assumptions made by the hauler in preparing these projections are reviewed. Revenues reported by the franchise hauler should not include any rate changes in the base year (year 3). Account information included in the application is reviewed to determine changes in the number of accounts served.

Allowances for uncollectible accounts also are reviewed. These figures should be deducted from total revenue projections. These allowances may be based on a fixed percentage of total revenues or on actual experience. Assumptions related to allowances for uncollectible accounts should be reviewed with the franchise hauler.

Revenues from recyclable material sales are provided in the application. Amounts identified in the prior (first) year provided should reconcile with the financial audit. Amounts identified in the current (second) year, the base (third) year should be documented by the franchise hauler. The JPA will review these projections to ensure they are consistent with trends in recycling collection costs, scrap values, processing costs, as well as estimated diversion rates and tonnage.

c. Review and Verify Operating Ratio

The operating profit must be determined for the base year. The JPA should calculate the projected operating profit for the base year using the first formula provided in Exhibit 1-1. For El Dorado County, if the operating ratio is outside the 87 to 91 percent range, then the operating ratio should be reset to 89 percent. If there are any errors by the hauler in calculating the operating ratio, or allowable operating profits, these deficiencies are noted.

d. Determine Components of Requested Change in Rates

The JPA evaluates all costs, revenues, and operating profits provided in the application to determine components of the requested adjustment in rates. This would include determining the proportion of the requested adjustment in rates which is due to changes in each of the following:

- Costs
- Residential revenues
- Commercial revenues
- Transfer station and RRF revenues
- Recyclable material sales revenues
- Operating profit (or loss).

e. Review Performance Data

The JPA reviews and analyzes performance data, which are included in the application (the number of accounts and tons collected). Operating statistics are reviewed to explain past historical trends and justify future expenses. Both actual and percentage increases are examined and any unusual changes in performance are investigated to determine their cause and effect on future cost performance. Changes in accounts served, the number of routes, tons collected, or direct labor hours generally should correspond to changes in costs and revenues.

f. Request Additional Data and Clarification, if Necessary

Throughout the analysis of the application, The JPA may request clarification and/or additional data from the franchise hauler to explain any unusual changes in costs or operating performance. The JPA may have identified missing information, or changes in the financial or operating data between the three years which require clarification or further explanation. The franchise hauler should respond to the JPA's request for additional information within two weeks. Responses will vary depending on the specific requirements of the JPA.

g. Document Staff Review

During this task, the JPA prepares workpaper documentation of the review of the *Base Year Rate Application.*

D. Step 4 – Prepare Draft Report and Final Report

Responsibility: JPA

Timing: Completed approximately three (3) months after determining the application package is complete

Tasks: a. Prepare Draft Report
b. Provide Franchise Hauler with Copy of Draft Report and Receive Comments
c. Prepare Final Report.

Overview

A draft report with recommendations from JPA staff is prepared and submitted to the franchise hauler for review. The franchise hauler will review the draft report. The franchise hauler will have an opportunity to provide written comments regarding the draft report. The JPA will address these comments and prepare a Final Report.

a. Prepare Draft Report

In this step, the JPA prepares a Draft Report including recommendations for a rate change. The draft report includes the following sections:

- **Executive Summary.** This is a one or two-page summary of the review process and may include a chart showing current and proposed rates, and the recommended rate change.
- **Introduction and Background.** The section identifies any proposed changes in services provided by the franchise hauler. The section also identifies the review goals, objectives, scope, and other relevant background information. This section of the report may provide a brief overview

of the rate change process and a discussion of significant historical rate issues. If applicable, this report will document the rate change proposed by the JPA.

- **Analysis and Discussion of Rate Application.** This section of the report will include a review of the analysis work completed by JPA staff. This section might include the following subsections:
  - *Review of Rate Changes*, including a discussion of interim year rate changes since the last base year, the relationship of these changes to changes in the Garbage and Trash Collection CPI, and an analysis of the significant components of the change in rates (e.g., changes in labor costs.)
  - *Analysis of Projected Costs*, including a discussion of any unusual changes in costs which were discovered and unresolved during the review process.
  - *Discussion of Service Issues*, including changes in frequency or type of curbside service. If significant service issues are not involved with a rate change, this subsection would be omitted.
- **Recommendations.** JPA staff would present its recommendations regarding specific changes in rates in this section of the document.
- **Appendices.** Appendices to the report would include:
  - Rate application
  - Revised rate schedule
  - Audited financial statements of the franchise hauler
  - Other relevant supporting materials provided by the franchise hauler.

b. Provide Franchise Hauler with Copy of Draft Report and Receive Comments

During this task, the franchise hauler will review the draft report. Each section of the report should be reviewed to ensure that correct data are included, the JPA's analysis is consistent with the methodology, and if applicable the proposed rate change is determined accurately.

If any issues are identified during this step, the franchise hauler works with JPA staff to fully explore and resolve these outstanding issues. The franchise hauler then will prepare a written response to the draft report. The response may cover one or more of the following topics:

- If data discrepancies exist in any of the areas noted in the prior task, the JPA should be notified of these discrepancies.
- If the analysis conducted by the JPA can be clarified or considered differently, this information should be provided to the JPA.
- If the report is acceptable and no clarification or comments can be offered, this should be relayed to the JPA.

If no written response is received by the JPA within two weeks of delivering the JPA's Draft Report, then the JPA will assume that the franchise hauler has no issues with the report.

c. Prepare Final Report

Any additional or outstanding comments or issues raised during the franchise hauler's review of the draft report are addressed. If necessary, meetings are conducted with representatives from the JPA and the franchise hauler. Final solutions to outstanding issues are included in the report. After final comments from the franchise hauler have been considered, the Final Report package is prepared. A copy of the Final Report is submitted to the franchise hauler.

E. Step 5 – Present Final Report to JPA Board

Responsibility: JPA

Timing: Completed two (2) months prior to the expected implementation of new rates

Tasks: a. Distribute Final Report and Summary to JPA Board

b. Obtain JPA Board Recommendation.

Overview

During this step, the Final Report is presented to the JPA Board for review, comment, and for a recommendation to the three jurisdictions.

a. Distribute Final Report and Summary to JPA Board

In this task, the Final Report is provided to members of the JPA Board. The report is included as an agenda item for JPA Board consideration at a regular JPA Board meeting. The rate change may be placed on either the regular or consent calendar. The JPA Board Clerk should be notified four (4) weeks prior to the meeting at which the rate change will be considered and reports should be provided two (2) weeks prior to the meeting.

The JPA Board Clerk should follow applicable public noticing requirements, so affected customers can participate at the Board meeting.

b. Obtain JPA Board Recommendation

The JPA Board members review the report and proposed rate changes. If the JPA Board agrees with the recommendations of JPA staff, the JPA Board recommends the rate change and rates to the three jurisdictions. If the JPA Board does not agree with staff recommendations, the report is returned to JPA staff for additional analysis. If the JPA Board does not recommend the report and rates, the JPA Board should specifically identify deficiencies.

F. Step 6 – Notify Customers of Rate Hearing

Responsibility: City and Counties

Timing: Completed 10 days prior to City Council and County Board meetings

Tasks: a. Prepare Notification of Public Hearing for Rate Change.

Overview

During this step, the City and Counties notify customers of the rate setting hearing.

a. Prepare Notification of Public Hearing for Rate Change

Once the JPA Board has recommended the report and rates, the jurisdictions will notify customers that a rate hearing will occur. This notification will occur prior to the City and County rate hearing(s) where each jurisdiction will consider whether to approve the JPA recommended rates.

G. Step 7 – Receive Approval from City Council and County Boards

Responsibility: City and Counties

Timing: Completed one (1) month prior to expected implementation of new rates

Tasks: a. Distribute Final Report to City and Counties

b. Obtain City and County Approvals.

Overview

During this step, the respective cities and counties within the JPA present the Final Report for review and approval by their respective city council and county boards.

a. Distribute Final Report to City and Counties

In this task, the Final Report is provided to the City of South Lake Tahoe, El Dorado County, and Douglas County for review and approval. The report is included as an agenda item for consideration at a regular public meeting. The clerk of each respective jurisdiction should follow applicable public noticing requirements.

b. Obtain City and County Approvals

The City of South Lake Tahoe City Council, the El Dorado County Board of Supervisors, and the Douglas County Board of Commissioners review the report and recommended rate changes. If the rate changes are approved, they are implemented.[2]

H. Step 8 – Implement New Rates

Responsibility: Franchise hauler

Timing: Conducted following City Council and County Board approval of the new rates

Tasks: a. Implement Rate Change.

Overview

During this final step, the franchise hauler implements new rates, if applicable.

a. Implement Rate Change

During this final task, the new rates are entered into the franchise hauler's billing system and included in the billing cycle. If a rate change occurs during the middle of a billing cycle, unbilled or overbilled amounts are calculated and included in the next billing cycle.

[2] Douglas County's rates are subject to a voter-passed initiative that requires the approval of the voters if the rate will increase by ten percent or more. The rate adjustments provided for in this manual are therefore subject to the Douglas County Code and Douglas County will not be in violation of its agreement with STR if a rate adjustment is not approved because it fails to obtain the required voter approval.

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Section 3

Interim Year Rate Setting Process

3. Interim Year Rate Setting Process

This section describes each of the four (4) steps of the interim year rate setting process. Each step includes an overview of the step and a detailed description of the tasks required to complete the step. The section includes four (4) subsections:

A. Step 1 – Prepare and Submit Rate Application
B. Step 2 – Prepare Draft Report and Final Report
C. Step 3 – Receive Approval from City Council and County Boards
D. Step 4 – Implement New Rates.

A. Step 1 – Prepare and Submit Rate Application

Responsibility: Franchise hauler

Timing: Completed four (4) months prior to the implementation of the new rates

Tasks: a. Prepare an Interim Year Rate Application
b. Submit Application to JPA.

Overview

During this first step, the franchise hauler prepares the *Interim Year Rate Application.* Blank application forms are provided in **Appendix A (Exhibit A-2).** Similar to the base year forms, these forms identify all areas to be completed with double outlined boxes. If data are to be entered in the form, the box has no shading. If a calculation is required, the box has light shading.

a. Prepare an Interim Year Rate Application

1. **Report Changes in Landfill Disposal Costs.** The first task is to provide prior year landfill disposal costs. Prior year landfill tipping fees per ton should be entered on line 1. Prior year landfill tonnage should be entered on line 2. The values entered on lines 1 and 2 should then be multiplied together and entered on line 3.

   The franchise hauler estimates what landfill tipping fees and landfill tonnage will be for the next interim year. Projected interim year landfill tipping fees, per ton, are entered on line 4, and projected interim year landfill tonnage is entered on line 5. The values entered on lines 4 and 5 then are multiplied together and entered on line 6.

   The percent change in landfill disposal costs is determined as follows:

   $$\frac{\text{line 6 - line 3}}{\text{line 3.}}$$

   The result of this equation, rounded to the nearest one decimal place, is entered on line 7.

2. **Explain Changes in Landfill Disposal Costs.** Any changes in either landfill tipping fees or tonnage should be fully explained in this task. For example, if a landfill closes and the franchise hauler begins using a new landfill with higher tipping fees, this information should be disclosed.

   Documents which support or further explain any change in costs are provided, as appropriate. This might include formal announcements of tipping fee increases provided by the landfill operator, which will be paid directly by the franchise hauler.

3. **Certify Application.** An authorized representative from the franchise hauler should sign and date the application. This signature provides certification by the franchise hauler that the application is complete, accurate, and consistent with the instructions provided in this manual.

   At this point, the application should be complete. The application is submitted to the JPA for review and calculation of the rate change, as described in the following subsection.

b. Submit Application to JPA

The completed application is sent to the JPA for review and calculation of new rates. The franchise hauler's application does not include any new rates; these are determined by the JPA during Step 2.

B. Step 2 – Prepare Draft Report and Final Report

Responsibility: JPA

Timing: Completed within two (2) months of receiving a completed Interim Year Rate Application

Tasks:
a. Identify Consumer Price Index
b. Complete Interim Year Rate Change Worksheet and Determine New Rates
c. Request Additional Data and Clarification, if Necessary
d. Prepare Draft Report
e. Receive Comments from Franchise Hauler
f. Prepare Final Report.

Overview

The *Interim Year Rate Change Worksheet* is used to calculate new interim year rates. This document is prepared by the JPA after the franchise hauler has submitted an *Interim Year Rate Application*. Interim year rate changes are based on a weighted increase in operating and landfill disposal costs. Inflators for this process include changes in the Consumer Price Index (Garbage and Trash Collection CPI) and changes in landfill disposal costs (documented by the franchise hauler in the *Interim Year Rate Application*). **Exhibit A-3** in **Appendix A** includes a sample of the two-page worksheet to be completed by JPA staff.

a. Identify Consumer Price Index

The annual change in the U.S. City Average, Garbage and Trash Collection, Consumer Price Index (CPI) provides the single largest factor for determining new rates during interim years. Eighty-five (85) percent of the actual change in this index during the twelve months prior to the date the *Interim Year Rate Application* is submitted to the JPA is used for the actual change in the methodology. Because a projected change in the

CPI is not produced, eighty five (85) percent of the actual change in CPI for the prior twelve months is used as the CPI for the interim year. The period used by the JPA and franchise hauler will be June to June. This information is available from the United States Department of Labor, Bureau of Labor Statistics.

b. Complete Interim Year Rate Change Worksheet and Determine New Rates

JPA staff prepares the *Interim Year Rate Change Worksheet* and calculates new rates during this task. This worksheet requires information from the most recent *Base Year Rate Application* and the current *Interim Year Rate Application.* This worksheet also requires the U.S. City Average Garbage and Trash Collection CPI information collected in task a. The worksheet is used to calculate the new rate change.

1. **Identify Prior Base Year Operating Costs (Other Than Landfill Disposal).** Operating costs, excluding landfill disposal costs, are those items which can be reasonably managed by the franchise hauler in order to minimize future rate increases. Changes in these costs should approximate the change in the U.S. City Average Garbage and Trash Collection CPI.

   In order to streamline the interim year process, operating costs are adjusted based on an annual change in the CPI instead of projected changes in each cost item. This eliminates the need to conduct a detailed review of the franchise hauler's audited financial statements.

   Landfill disposal costs are included in total allowable costs (line 1). Because of this, landfill disposal costs must be deducted to determine total operating costs (other than landfill disposal) in the base year (line 1 plus line 2 plus line 3 minus line 4). This total then is entered on line 5 of the worksheet and is used to calculate the weighted change in operating costs (other than landfill disposal).

2. **Identify Prior Base Year Landfill Disposal Costs.** Landfill disposal costs are those items over which the franchise hauler has little or no control. Adjustments to landfill disposal costs during an interim year are based on the franchise hauler's projections, not projected changes in the CPI. Total landfill disposal costs in the prior base year must be calculated to determine the weighting of operating costs to landfill disposal costs. Landfill disposal costs from the base year are entered in line 6.

3. **Calculate Weightings.** Total operating costs (other than landfill disposal) (line 5) plus total landfill disposal costs (line 6) equals the total base year revenue requirement. This total is entered on line 7 of the worksheet.

   A weighting for both operating costs (other than landfill disposal) and landfill disposal costs is calculated as follows:

   Operating Costs (Other Than Landfill Disposal):

   Total operating costs (Line 5)
   Divided by Base year revenue requirement (Line 7)
   Equals Operating costs (other than landfill disposal), as a percentage of base year revenue requirement.

   This percentage figure is entered on line 5, column 2, and line 17.

   Landfill Disposal Costs:

   Total landfill disposal costs (Line 6)
   Divided by Base year revenue requirement (Line 7)
   Equals Landfill disposal costs, as a percentage of base year revenue requirement.

   This percentage figure is entered on line 6, column 2, and line 20.

4. **Calculate Projected Change in Consumer Price Index.** The percent change in the prior year June to June U.S. City Average Garbage and Trash Collection, CPI is entered

on line 8. This change in CPI then is adjusted by multiplying the figure on line 8 by 85 percent and the result entered on line 9. This adjusted projection of the change in CPI also is entered on line 18 of the worksheet.

5. **Enter Landfill Disposal Cost Information from Application.** The figures on lines 1 through 7 of the application (actual and projected landfill disposal costs) are entered in lines 10 though 16, respectively, of the worksheet. Any significant changes in these costs are documented by the franchise hauler. A significant change would be any increase greater than the change in the CPI, or a decrease of any amount. If a significant change has not been adequately explained, additional information is requested from the franchise hauler.

6. **Review Mathematical Accuracy.** The mathematical accuracy of the franchise hauler's totals for Total Prior Year Landfill Disposal Costs (line 12), and Total Projected Interim Year Landfill Disposal Costs (line 15) are checked during this task. The percent change in landfill disposal costs should be calculated as follows:

$$\frac{\text{line 15 - line 12}}{\text{line 12.}}$$

After the percentage change in landfill disposal costs has been verified, this figure is entered in lines 16 and 21 of the worksheet.

7. **Calculate Weighted Change in Operating Costs (Other Than Landfill Disposal).** Figures should have been entered on line 17, operating costs (other than landfill disposal) as a percent of base year revenue requirements, and line 18, the adjusted projected change in CPI, based on calculations completed in previous tasks. To obtain the weighted change in operating costs (other than landfill disposal), line 17 is multiplied by line 18 and the result entered on line 19.

8. **Calculate Weighted Change in Landfill Disposal Costs.** Line 20, landfill disposal costs, as a percent of base year revenue requirements, and line 21, projected change in landfill disposal costs, should now have an entry based on calculations completed in previous tasks. To obtain the weighted change in landfill disposal costs, line 20 is multiplied by line 21 and the result entered on line 22.

9. **Calculate Total Change in Cost.** To calculate the total percentage change in costs, line 19, the weighted change in operating costs (other than landfill disposal), is added to line 22, the weighted change in landfill disposal costs, and the result entered on lines 23 and 26, total percent change in costs.

10. **Calculate Franchise Fee Adjustment.** In order to account for changes in the franchise fee resulting from a change in rates, an adjustment is made to the percentage change in total costs which was entered on lines 23 and 26. The adjustment factor is equal to one minus the franchise fee (1.00 - ____ = ____). These values should be entered on lines 24 and 27.

11. **Calculate Percent Change in Existing Rates.** The final task in this step is to calculate the percent changes in existing rates. To determine these changes, line 23 (total percent change in costs) is divided by line 24 (franchise fee adjustment), line 26 (total percent change in costs) is divided by line 27 (franchise fee adjustment), and the results are entered on lines 25 and 28. The values on lines 25 and 28 should be greater than the value on lines 23 and 26. The difference accounts for the change in franchise fees.

12. **Enter Rate Change.** The rate change identified in lines 25 and 28 should be entered on Page 1, line 1 of the worksheet.

13. **Calculate New Residential Rates.** Current jurisdiction-specific rates for residential solid waste collection are entered in column one on page 1. The new rates (in column three) then are calculated by multiplying the current rate by one plus the percentage rate change identified on line 1. The rate adjustment (or the difference between the rate in column one and the rate in column three) is entered in column two.

To verify new rates, column one, lines 2 through 4, should be added to column two and the result should equal the rate in column three. This third column provides the new schedule of residential rates.

The JPA should separately calculate new commercial rates using the percentage change in rates.

c. Request Additional Data, and Clarification, if Necessary

If necessary, JPA staff requests clarification and/or additional data from the franchise hauler. The request is to clarify the franchise hauler's assumptions for projected changes in landfill disposal costs and to indicate the expected change in rates.

d. Prepare Draft Report

The JPA staff prepares a high level draft report with recommendations of new rates for JPA Board consideration. This report should be brief and include the following sections:

- **Executive Summary.** This is a summary of the review process and includes a chart showing current and proposed rates, and the recommended rate change.
- **Background.** This section of the report provides a brief overview of the rate change process and discussion of any significant historical issues.
- **Analysis and Discussion of Issues.** This section includes a review of the analysis work completed by JPA staff. This section also includes a discussion of any significant changes in landfill disposal costs and an identification of the change in CPI assumed by the JPA.
- **Recommendation.** The JPA staff presents its recommendation regarding any change in rates in this section.
- **Attachments.** Attachments to the report would include:
  - ☐ Rate application
  - ☐ Revised rate schedule(s)
  - ☐ *Interim Year Rate Change Worksheet.*

After the draft report and recommendations have been prepared, the document should be submitted to the franchise hauler for comment and review.

e. Receive Comments from Franchise Hauler

The franchise hauler reviews the draft report to ensure that any calculations and analyses completed by JPA staff are fair, reasonable, and justified. The franchise hauler reviews the draft report to ensure the following:

- Correct data are included
- JPA staff analysis is accurate and fair
- Rate changes are reasonable and acceptable.

If any issues are identified during this step, the franchise hauler works with JPA staff to fully explore and resolve these outstanding issues. A written response to the draft report is then prepared. The response may cover one or more of the following topics:

- Data discrepancies in any of the areas noted in the prior task
- Clarification for the JPA or alternative analysis of the application
- Responses to the JPA's request for additional information.

f. Prepare Final Report

The JPA prepares the Final Report incorporating comments from the franchise hauler, as appropriate. Any comments or issues raised during the franchise hauler's review of the draft report are addressed. If necessary, representatives from the JPA and the franchise hauler should meet to resolve issues. The report should reflect final solutions to outstanding issues.

After final comments from the franchise hauler have been considered, the JPA prepares the Final Report. The JPA should submit a copy of the Final Report to the franchise hauler.

C. Step 3 – Receive Approval from City Council and County Boards

Responsibility: City and Counties

Timing: Completed one month prior to expected implementation of new rates

Tasks: a. Distribute Final Report to City and Counties

b. Obtain City and County Approvals.

Overview

During this step, the respective cities and counties within the JPA present the Final Report for review and approval by their respective city council and boards.

a. Distribute Final Report to City and Counties

In this task, the Final Report is provided to the City of South Lake Tahoe, El Dorado County, and Douglas County for review and approval. The report is included as an agenda item for consideration at a regular public meeting. The clerk for each applicable jurisdiction should follow applicable public noticing requirements so affected customers can participate at the public meetings.

b. Obtain City and County Approvals

The City of South Lake Tahoe City Council, the El Dorado County Board of Supervisors, and the Douglas County Board of Commissioners review the report and recommended rate changes. If the rate changes are approved, they are implemented. If the rate changes are not, deficiencies are noted, and the report is returned to the JPA. Step 3 is then repeated.[1]

D. Step 4 – Implement New Rates

Responsibility: Franchise hauler

Timing: Conducted following the approval of the new rates by the City Council or County Boards

Tasks: a. Implement Rate Change.

Overview

After new rates have been approved by City Council and County Boards, the final step in the process is to implement the new rates.

a. Implement Rate Change

During this final task, the franchise hauler enters the new rates into their billing system and includes the new rates on the next appropriate customer invoice. If a rate change occurs during the middle of a billing cycle, unbilled or overbilled amounts are calculated and included in the next billing cycle.

[1] Douglas County's rates are subject to a voter-passed initiative that requires the approval of the voters if the rate will increase by ten percent or more. The rate adjustments provided for in this manual are therefore subject to the Douglas County Code and Douglas County will not be in violation of its agreement with STR if a rate adjustment is not approved because it fails to obtain the required voter approval.







Appendix A

Blank Forms and Worksheets

Appendix A
Blank Forms and Worksheets

Exhibits A-1 through **A-4,** on the following pages, include blank base year rate application forms, interim year rate application forms, interim year rate change worksheets, and Consumer Price Index (CPI) percent change calculation example. This appendix is organized as follows:

- **Exhibit A-1** – *Base Year Rate Application*
- **Exhibit A-2** – *Interim Year Rate Application*
- **Exhibit A-3** – *Interim Year Rate Change Worksheet.*
- **Exhibit A-4** – *Consumer Price Index (CPI) Percent Change Calculation Example.*

Exhibit A-1
Sample Base Year Rate Application

Base Year Rate Application

Summary

Rate Change

1. Percent Rate Change Requested (City of South Lake Tahoe and Douglas County) ____ %
   Percent Rate Change Requested (El Dorado County) ____ %

Residential Rate Schedule

	Rate Schedule (per customer, per month)	Current Rate	Rate Adjustment	New Rate
2.	City of South Lake Tahoe	$	$	$
2.1.	Unlimited service			
2.2.	Mandated pickup per 32-gallon can/bag			
2.3.	Mandated pickup per cubic yard			
2.4.	Qualified senior rate			
2.5.	House service - 1 can			
2.6.	House service - 2 cans			
2.7.	House service - 3 cans			
2.8.	Residential - All other services			
3.	Douglas County	$	$	$
3.1.	1, 32-gallon can			
3.2.	2, 32-gallon cans			
3.3.	3, 32-gallon cans			
3.4.	4, 32-gallon cans			
3.5.	One extra 32-gallon can (also the seasonal service rate)			
3.6.	On-call 32-gallon can billed monthly/arrears			
3.7.	Per cubic yard			
3.8.	1, 45-gallon can			
3.9.	2, 45-gallon cans			
3.10.	3, 45-gallon cans			
3.11.	One extra 45-gallon can (also the seasonal service rate)			
3.12.	On-call 45-gallon can billed monthly/arrears			
3.13.	Residential - All other services			
4.	El Dorado County	$	$	$
4.1.	Unlimited service			
4.2.	Mandated pickup per 32-gallon can/bag			
4.3.	Mandated pickup per cubic yard			
4.4.	Qualified senior rate			
4.5.	House service per can			
4.6.	Residential - All other services			

Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the South Lake Tahoe Basin Waste Management Authority

Name: Title:

Signature: Date:

Fiscal Year: ***Page 1 of 3***

Base Year Rate Application

Financial Information for All Three Jurisdictions

		Actual Audited Prior Year All Three Jurisdictions	Estimated Current Year All Three Jurisdictions	Projected Base Year City of SLT and Douglas County	Projected Base Year El Dorado County
	Section I--Allowable Operating Costs				
5.	Direct Labor	$	$	$	$
6.	Equipment Costs and Facility Costs				
7.	Landfill Disposal Costs				
8.	Office Salaries				
9.	General and Administrative Costs				
10.	MRF Principal and Interest Payments (El Dorado County)				
11.	RRF Principal and Interest Payments (El Dorado County)				
12.	**Total Allowable Operating Costs**	$	$	$	$
	Section II--Allowable Operating Profit				
13.	Operating Ratio	%	%	%	%
14.	Allowable Operating Profit	$	$	$	$
	Section III--Pass Through Costs without Franchise Fees				
15.	MRF Principal Payments	$	$	$	$
16.	RRF Principal Payments				
17.	MRF and RRF Interest Expenses				
18.	RRF Fund Credit				
19.	Recycling Revenue Bonus				
20.	**Total Pass Through Costs**	$	$	$	$
	Section IV--Revenue Requirement without Franchise Fees				
21	Total Allowable Operating Costs (Line 12) plus Allowable Operating Profit (Line 14) plus Total Pass Through Costs (Line 20)	$	$	$	$

Section V--Revenues without Rate Change in Base Year

Residential Revenues	Current Rate/Month	Months	Projected Accounts	Total
City of South Lake Tahoe				
22. Unlimited service	$	12		$
23. Mandated pickup per 32-gallon can/bag		12		
24. Mandated pickup per cubic yard		12		
25. Qualified senior rate		12		
26. House service - 1 can		12		
27. House service - 2 cans		12		
28. House service - 3 cans		12		
29. Residential - All other services		12		
Douglas County				
30. 1, 32-gallon can	$	12		$
31. 2, 32-gallon cans		12		
32. 3, 32-gallon cans		12		
33. 4, 32-gallon cans		12		
34. One extra 32-gallon can (also the seasonal service rate)		12		
35. On-call 32-gallon can billed monthly/arrears		12		
36. Per cubic yard		12		
37. 1, 45-gallon can		12		
38. 2, 45-gallon cans		12		
39. 3, 45-gallon cans		12		
40. One extra 45-gallon can (also the seasonal service rate)		12		
41. On-call 45-gallon can billed monthly/arrears		12		
42. Residential - All other services		12		
El Dorado County				
43. Unlimited service	$	12		$
44. Mandated pickup per 32-gallon can/bag		12		
45. Mandated pickup per cubic yard		12		
46. Qualified senior rate		12		
47. House service per can		12		
48. Residential - All other services		12		

49.	Residential Revenues Subtotal			$	$
50.	Less: Allowance for Uncollectible Residential Accounts				
51.	Total Residential Revenues (without Rate Change in Base Year)	$	$	$	$
52.	Commercial Revenues			$	$
53.	Less: Allowance for Uncollectible Commercial Accounts				
54.	Total Commercial Revenues (without Rate Change in Base Year)	$	$	$	$
55.	Transfer Station and RRF Revenues				
56.	Recycled Material Sales				
57.	**Total Revenues** (Lines 51 + 54 + 55 + 56)	$	$	$	$
	Section VI--Net Shortfall (Surplus)				
58.	Net Shortfall (Surplus) without Franchise Fees (Line 21 - Line 57)	$	$	$	$
59.	Residential and Commercial Franchise Fees	$	$	$	$
60.	Net Shortfall (Surplus) with Franchise Fees (Lines 58 + 59)	$	$	$	$
	Section VII--Percent Change in Rates				
61.	Total Residential, Commercial, Transfer Station, and RRF Revenues Prior to Rate Change (Line 51 + 54 + 55)			$	$
62.	Percent Change in Existing Residential/Commercial/Transfer Station/RRF Rates (Line 60 ÷ Line 61)			%	%

Fiscal Year:

Page 2 of 3

Exhibit A-1
Sample Base Year Rate Application *(continued)*

Base Year Rate Application

Operating Information

	Prior Year Audited Information All Three Jurisdictions	Current Year Estimated Information All Three Jurisdictions	Percent Change	Base Year Projected Information City of SLT and Douglas County	Base Year Projected Information El Dorado County	Percent Change
Section VIII--Operating Data						
63. Residential Accounts			%			%
64. Multi-family Accounts			%			%
65. Commercial Accounts			%			%
66. Total Accounts			%			%
67. Residential Refuse Tons			%			%
68. Residential Recycling Tons			%			%
69. Residential Yard Waste Tons			%			%
70. Commercial Refuse Tons			%			%
71. Commercial Recycling Tons			%			%
72. "Free" Drop Boxes Provided *(Monthly)*			%			%
73. "Free" Bins Provided			%			%
Section IX--Change in Commercial Rates						
74. 2 Yard Bin--Once per Week			%			%
75. 3 Yard Bin--Once per Week			%			%
76. 4 Yard Bin--Once per Week			%			%
77. 5 Yard Bin--Once per Week						
78. 6 Yard Bin--Once per Week			%			%

Fiscal Year: ***Page 3 of 3***

Exhibit A-2
Sample Interim Year Rate Application

Interim Year Rate Application

			Lockwood	Carson City	Total
Change in Landfill Disposal Costs					
1.		Prior Year Landfill Tipping Fees Per Ton	$	$	$
2.	*Multiplied by:*	Prior Year Landfill Tons			
3.	*Equals:*	Total Prior Year Landfill Disposal Costs	$	$	$
4.		Projected Interim Year Landfill Tipping Fees Per Ton	$	$	$
5.	*Multiplied by:*	Projected Interim Year Landfill Tons			
6.	*Equals:*	Total Projected Interim Year Landfill Disposal Costs	$	$	$
7.		Projected Change in Landfill Disposal Costs	%	%	%

Provide an explanation of any changes in landfill disposal costs (i.e., landfill tipping fees paid by the franchise hauler, landfill tonnage). Attach supporting documentation to this application as appropriate.

Section III--Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the South Lake Tahoe Basin Waste Management Authority.

Name: Title:

Signature: Date:

Year: *Page 1 of 1*

Exhibit A-3
Sample Interim Year Rate Change Worksheet

Interim Year Rate Change Worksheet

Summary

1. Percent Rate Change Requested (City of South Lake Tahoe and El Dorado County) ____ %

   Percent Rate Change Requested (Douglas County) ____ %

	Rate Schedule (per customer, per month)	Current Rate	Rate Adjustment	New Rate
2.	City of South Lake Tahoe	$	$	$
2.1.	Unlimited service			
2.2.	Mandated pickup per 32-gallon can/bag			
2.3.	Mandated pickup per cubic yard			
2.4.	Qualified senior rate			
2.5.	House service - 1 can			
2.6.	House service - 2 cans			
2.7.	House service - 3 cans			
2.8.	Residential - All other services			
3.	Douglas County	$	$	$
3.1.	1, 32-gallon can			
3.2.	2, 32-gallon cans			
3.3.	3, 32-gallon cans			
3.4.	4, 32-gallon cans			
3.5.	One extra 32-gallon can (also the seasonal service rate)			
3.6.	On-call 32-gallon can billed monthly/arrears			
3.7.	Per cubic yard			
3.8.	1, 45-gallon can			
3.9.	2, 45-gallon cans			
3.10.	3, 45-gallon cans			
3.11.	One extra 45-gallon can (also the seasonal service rate)			
3.12.	On-call 45-gallon can billed monthly/arrears			
3.13.	Residential - All other services			
4.	El Dorado County	$	$	$
4.1.	Unlimited service			
4.2.	Mandated pickup per 32-gallon can/bag			
4.3.	Mandated pickup per cubic yard			
4.4.	Qualified senior rate			
4.5.	House service per can			
4.6.	Residential - All other services			

Year:

Interim Year Rate Change Worksheet

Financial Information

Section I--Base Year Costs

Base Year Operating Costs (Other Than Landfill Disposal)

1.		Total Allowable Operating Costs		
2.	*Plus:*	Allowable Operating Profit		
3.	*Plus:*	Total Pass Through Costs		
4.	*Minus:*	Landfill Disposal Costs		
5.	*Equals:*	Total Operating Costs (Other Than Landfill Disposal)		%

Base Year Landfill Disposal Costs

6.		Total Landfill Disposal Costs		%
7.	**Base Year Revenue Requirement**			%

Section II--Changes in Costs

Change in Operating Costs (Other Than Landfill Disposal)

8.		Projected Change in Consumer Price Index	%
9.		Projected 85 Percent Change in Consumer Price Index	%

Change in Landfill Disposal Costs

10.		Prior Year Total Landfill Tipping Fees Per Ton	$
11.	*Multiplied by:*	Prior Year Total Landfill Tons	
12.	*Equals:*	Total Prior Year Total Landfill Disposal Costs	$
13.		Projected Interim Year Total Landfill Tipping Fees Per Ton	$
14.	*Multiplied by:*	Projected Interim Year Total Landfill Tons	
15.	*Equals:*	Total Projected Interim Year Total Landfill Disposal Costs	$
16.		Projected Change in Total Landfill Disposal Costs	%

Section III--Calculation of Percent Change in Rates

Weighted Change in Operating Costs (Other Than Landfill Disposal)

17.		Operating Costs as % of Base Yr. Revenue Requirement	%	
18.	*Multiplied by:*	Projected 85 Percent Change in Consumer Price Index	%	
19.	*Equals:*	Weighted Change in Operating Costs	%	

Weighted Change in Total Landfill Disposal Costs

20.		Total Landfill Disposal Costs as % of Base Yr. Revenue Requirement	%	
21.	*Multiplied by:*	Projected Change in Total Landfill Disposal Costs	%	
22.	*Equals:*	Weighted Change in Total Landfill Disposal Costs	%	

Total Change

23.		Total Percent Change in Costs	%	
24.	*Divided by:*	Adjustment for Franchise Fee (1 - ___%)	%	
25.	*Equals:*	**Percent Change in Existing Rates (City of South Lake Tahoe and El Dorado County)**		%
26.		Total Percent Change in Costs	%	
27.	*Divided by:*	Adjustment for Franchise Fee (1 - ___%)	%	
28.	*Equals:*	**Percent Change in Existing Rates (Douglas County)**		%

Year: ***Page 2 of 2***

Exhibit A-4

Consumer Price Index (CPI) Percent Change Calculation Example

Consumer Price Index (CPI) Percent Change Calculation Example

Interim Year: 2011
Application Submission by: 8/31/2010
Applicable CPI data Used June 2009 to June 2010

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SEHG02
Not Seasonally Adjusted
Area: U.S. city average
Item: Garbage and trash collection
Base Period: DECEMBER 1983=100

Download:
.xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2000	267.3	268.3	268.2	268.3	268.8	269.2	270.4	271.3	271.6	271.1	271.4	271.9	269.8		
2001	273.1	273.6	273.3	273.7	274	[illegible]	[illegible]	[illegible]	277	278	278.6	278.6	275.5		
2002	280.4	280.9	281.1	282.1	282.2	[illegible]	[illegible]	[illegible]	[illegible]	284.8	285.1	285.4	283		
2003	286.2	287.3	288.4	290.3	291	[illegible]	[illegible]	[illegible]	[illegible]	294.8	297	297.4	291.9		
2004	299.4	300.8	301.2	301.1	301.7	302.4	303.5	304.2	305.2	305.9	306.7	307.4	303.3		
2005	307.4	308.8	309.6	310.2	311.7	312.5	314.3	315.4	317.3	319.1	320.6	320.6	314		
2006	323	324.6	325.3	326.8	327.3	328.8	329.6	331.9	334.3	335.9	336.9	337.2	330.1		
2007	340.087	340.898	342.033	343.286	343.198	343.836	345.081	347.168	347.949	348.684	351.136	353.439	345.566		
2008	356.901	358.059	358.55	359.586	361.533	363.159	366.043	368.96	369.651	371.155	371.648	371.093	364.695		
2009	371.828	372.503	373.241	375.392	375.599	376.582	377.494	377.879	378.285	379.56	379.208	379.248	376.402		
2010	380.036	382.49	383.362	383.615	383.405	383.749	383.832	385.01	385.92	385.909	387.216	387.884	384.369		

Example

Consumer Price Index as of June 2009	376.582
Consumer Price Index as of June 2010	383.749
Change in Consumer Price Index	7.167
Percent Change in Consumer Price Index	1.90%

← *Enter the CPI percent change on Interim Year Rate Change Worksheet, page 2, line 8.*

ATTACHMENT C

CROWE HORWATH REPORT (BASE YEAR 2018 RATE ANALYSIS OF STR)

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November 12, 2017

Authority Staff
South Lake Tahoe Basin Waste Management Authority
1901 Airport Road
South Lake Tahoe, CA 96150

Subject: **Base Year 2018 Rate Analysis of South Tahoe Refuse Company**

Crowe Horwath (Crowe) has completed its analysis of South Tahoe Refuse Company's (STR's) Base Year 2018 Rate Application (Application). The South Lake Tahoe Basin Waste Management Authority (JPA) contracted with Crowe to conduct an analysis of the Application, and to provide potential refuse collection rate changes for the JPA to consider effective January 1, 2018. This letter report documents results of our analysis, and is organized as follows:

1. Purpose of Analysis
2. Summary
3. Background of Analysis
4. Scope of Analysis
5. Rate Setting Adjustments
6. Results of Analysis.

1. Purpose of Analysis

The purpose of the 2018 Base Year Rate Analysis of South Tahoe Refuse Company (Analysis) is to assist the South Lake Tahoe Basin Waste Management Authority (JPA), and each respective JPA jurisdiction including the City of South Lake Tahoe, Douglas County, and El Dorado County (Specified Parties), with their establishing solid waste collection rates charged by South Tahoe Refuse Company Inc. (STR). The analysis was conducted in accordance with JPA's 2012 Solid Waste Rate Setting Policies and Procedures Manual (Manual).

The information in this Analysis is based on estimates, assumptions and other data developed by Crowe Horwath LLP ("Crowe") from information provided by STR, knowledge of and participation in other studies, data supplied by the JPA, and other sources deemed to be reliable.

In the course of preparing this Analysis, we have not conducted an audit, review, or compilation of any financial or supplemental data used in the accompanying Analysis. We have made certain projections of revenues and expenses which may vary from actual results because events and circumstances frequently do not occur as expected and such variances may be material. We have no responsibility to update this Analysis for events or circumstances occurring after the date above.

Our procedures and work product are intended for the benefit and use of the Specified Parties. This engagement was not planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

2. Summary

The analysis of the 2018 rate application and supporting documentation indicates a rate increase of 8.81 percent for the City of South Lake Tahoe, 6.81 percent for Douglas County and 9.34 percent for El Dorado County, effective January 1, 2018. This compares to STR's requested calendar year 2017 rate increase of 9.59 percent for the City of South Lake Tahoe and Douglas County and 10.19 percent for El Dorado County. Current and proposed residential rates are shown in **Table 1** below:

Table 1
South Tahoe Refuse
Residential Rates with 8.81 Percent Rate Increase for the City of South Lake Tahoe, 6.81 Percent Rate Increase for Douglas County and 9.34 Percent Rate Increase for El Dorado County (Base Year 2018)

Service Level	Current Rate (Per Customer, Per Month)	Proposed Rate (Per Customer, Per Month	Proposed Rate Increase (Per Customer, Per Month)
City of South Lake Tahoe			
Unlimited service	$ 26.55	$28.89	$2.34
Douglas County			
1, 32-gallon can	$17.72	$18.93	$1.21
El Dorado County			
Unlimited service	$30.47	$33.32	$2.85

3. Background of Analysis

The joint powers authority (JPA) is comprised of the City of South Lake Tahoe, California; Douglas County, Nevada; and El Dorado County, California (Member Agencies). The JPA is responsible for overseeing regional cooperation regarding solid waste, and coordinating solid waste program planning and reporting for these Member Agencies.

The franchise hauler for the three (3) jurisdictions is STR. Each Member Agency has an exclusive franchise agreement with STR for collection and disposal of refuse. STR provides exclusive refuse collection, recycling, and transfer station operations to Member Agencies in accordance with terms specified in separate franchise agreements.

JPA rate setting follows the JPA's 2012 *Solid Waste Rate Setting Policies and Procedures Manual*, Volume 2 (Manual). The Manual allows STR to submit a base year rate application for the rate year 2018. Our analysis was conducted in accordance with Steps 2, 3, 4, and 5 in Section 2 of the Manual.[1]

Rate setting has generally followed an approximately three-year cycle with the prior base year rate analysis conducted for rate year 2015. There was no rate change in 2016. The JPA and STR followed the Interim Year Rate Setting Process in Section 3 of the Manual for interim rate year 2017. Recently approved rate changes granted to STR include:

- 2012 – 4.97 percent rate increase (City of South Lake Tahoe and Douglas County) and 4.48 percent rate increase (El Dorado County) – base year

[1] The JPA allows for the franchise hauler to submit an interim year rate application in each of the "interim" two (2) years between "base" years, should the franchised hauler want to request an increase rates.

- 2013 – 1.57 percent rate increase (City of South Lake Tahoe),1.53 percent rate increase (Douglas County), and 1.58 percent rate increase (El Dorado County) – interim year
- 2014 – 2.78 percent rate increase (City of South Lake Tahoe and El Dorado County) and 2.73 percent rate increase (Douglas County) – interim year
- 2015 – 2.88 percent rate increase (City of South Lake Tahoe and El Dorado County) and 2.66 percent rate increase (Douglas County) – base year
- 2016 – No rate change – interim year
- 2017 – 1.62 percent rate increase (City of South Lake Tahoe and El Dorado County) and 1.59 percent rate increase (Douglas County) – interim year.

In **Table 2**, we summarize residential rates since 2015.

Table 2
South Tahoe Refuse
Selected Residential Rates
(2015 to 2017)

Service Level	2015	2016	2017
City of South Lake Tahoe			
Unlimited service	$26.13	$26.13	$26.55
Douglas County			
1, 32-gallon can	$17.44	$17.44	$17.72
El Dorado County			
Unlimited service	$29.98	$29.98	$30.47

On May 31, 2017, STR submitted its base year rate application to the JPA for rate year 2018 (hereafter referred to as the Application). We enclose a copy of this Application as **Attachment A**. The JPA requires the franchise hauler to submit a base year rate application once every three (3) years. In accordance with the Manual, rate year 2018 is a base year.

STR's Application to the JPA projected a rate increase was needed to cover a combined $1,552,766 estimated net shortfall, including franchise fees, for fiscal year 2018. STR requested an increase of 9.59 percent ($1,218,133 projected total revenue shortfall) for the City of South Lake Tahoe and Douglas County and a 10.19 percent ($334,633 projected total revenue shortfall) for El Dorado County.

We relied on STR audited financial statements, internally prepared financial information, and operational data for our analysis. STR provided audited financial statements for rate year 2016, prepared by VT Williams & Associates. STR also provided internally prepared financial information and operational data for rate years 2017 (estimated) and 2018 (projected), and additional information and data requested by Crowe.

4. Scope of Analysis

Our scope of services included the following tasks:

1. Verify the completeness of STR's Base Year 2018 Application
2. Analyze the Base Year 2018 Application and prepare responses
3. Identify rate adjustments, by line item, and rate adjustment tables
4. Analyze proposed adjustments with JPA and STR representatives, and clarify outstanding issues

5. Determine the revenue requirement and associated rate adjustments
6. Prepare a draft report
7. Prepare a final report
8. Participate in JPA meeting.

For this analysis, we performed the following tasks:

- Assessed if the Application was mathematically accurately and logically consistent
- Verified that the Application complied with the terms and conditions of the Manual
- Reconciled the Application to STR's Rate Year 2016 audited financial statements
- Analyzed STR financial information, operational data, and projections for reasonableness
- Assessed supporting data, worksheets, and documentation
- Analyzed historical actual, estimated, and projected revenues and expenses
- Analyzed cost allocation methods for reasonableness
- Analyzed the assignment of revenues and expenses to each Member Agency
- Obtained and analyzed support for the assumptions used to project Rate Year 2017 and 2018 revenues and expenses
- Confirmed the use of the allowed operating ratio
- Confirmed the franchise fee calculation
- Confirmed the accuracy of STR's calculated revenue requirement and associated rate adjustment
- Performed facility and operations site visit
- Prepare draft and final reports
- Participate in JPA and Member Agency preparation and meeting(s).

The JPA entered into a contract with Crowe on August 4, 2017 to provide these services. We submitted a detailed data request to STR on September 5, 2017. We also performed an on-site visit of STR facilities on October 6, 2017.

5. Rate Setting Adjustments

In this section, we identify adjustments to the STR rate application for calendar year 2018. Total adjustments result in a projected 2018 revenue shortfall of $1,370,489 combined for the three JPA Member Agencies. The revenue shortfall includes a Base Year 2018 revenue shortfall of $1,063,749 for the City of South Lake Tahoe and Douglas County combined; and a projected Base Year 2018 revenue shortfall of $306,739 for El Dorado County. **Attachment B** includes the rate model with Crowe's rate adjustments summarized.

Adjustments are organized to generally match the organization provided in STR's rate application. The STR rate application is organized consistent with the guidance provided in the Base Year Rate Setting Process for allowable revenue and expense categories contained in the Manual, using the template located in Appendix A (Exhibit A-1) of the Manual. The remainder of this subsection is organized as follows:

- **Revenues**
  - Residential Collection Revenues
  - Commercial Collection Revenues
  - Forestry, Federal, and State Contracts
  - Non-Collection Revenue Allocation
  - Transfer Station and RRF Revenues

- **Recycled Material Sales (MRF and Recycling Sales)**
- **Operating Expenses**
  - Operating Expense Allocation
  - Expense Escalation
  - Direct Labor
  - Equipment Costs and Facility Costs
  - Landfill Disposal Costs
  - Office Salaries
  - General and Administrative Costs
  - MRF Principal and Interest Costs (El Dorado County)
  - RRF Principal and Interest Payments (El Dorado County)
  - Other Interest Expenses
- **Operating Profit**
- **Pass-Through Costs**
  - MRF Principal Payments (City and Douglas)
  - RRF Principal Payments (City and Douglas)
  - MRF and RRF Interest Expenses (City and Douglas).
  - Other Interest Expenses
  - RRF Fund Credit
  - Recycling Revenue Bonus
  - Franchise Fees

Revenues

Residential Collection Revenues

STR estimated residential collection revenues to increase by $37,647, or 0.52 percent, between 2016 and 2017. STR estimated residential collection revenues to increase by $124,939 or 1.72 percent, between 2017 and 2018. This increase reflects the 2017 year-to-date trend, resulting in residential collection increases of $80,345 for the City of South Lake Tahoe, $44,918 for El Dorado County, and $323 for Douglas County.

STR projected residential uncollectible revenues of $6,100 for Base Year 2018. This projected residential uncollectible revenue amount represents 0.08 percent of projected Base Year 2018 residential revenues. This comparatively low uncollectible revenue level results from the ability for STR to use a liens process whereby unpaid amounts are included on the tax role, as leverage to collect on unpaid accounts.

Impact(s):

- No change to Residential Collection Revenues in 2018.

Commercial Collection Revenues

STR estimated commercial collection revenues to increase by $347,051 or 6.14 percent, between 2016 and 2017. STR applied approximately the same percent (6.18 percent) increase to 2018 commercial revenues.

STR based projections of 2018 commercial revenues for each of the Member Agencies on historical trends between 2016 and 2017. The resulting 2018 projected commercial revenue increases were 7.0, 14.0 and 3.0 percent respectively for the City of South Lake Tahoe, El Dorado County, and Douglas County.

STR projected commercial uncollectible revenues of $1,524 for Base Year 2018. This projected commercial uncollectible revenue amount represents 0.02 percent of projected Base Year 2018 commercial revenues.

Impact(s):

- No change to Commercial Collection Revenues in 2018.

Non-Collection Revenues Allocation

For 2018, STR allocated non-collection revenues, including: (1) transfer station and RRF revenues, (2) forestry, federal, and state contracts revenues; and (3) recycled materials sales, between (1) the City of South Lake Tahoe and Douglas County, and (2) El Dorado County. The non-collection revenue allocation is based on 2016 residential and commercial collection revenues.

Revenue allocation percentages were 79.19 percent and 20.81 percent, respectively, for the City of South Lake Tahoe and Douglas County combined, and El Dorado County. We verified this allocation calculation was supported and correct. This allocation method was applied to (1) transfer station and RRF revenues; and (2) forestry, federal, and state contracts revenues, and (3) recycled materials sales revenues.

Impact(s):

- No adjustment.

Transfer Station and RRF Revenues

STR estimated transfer station revenues to increase by $133,953 or 10.0 percent, between 2016 and 2017. For 2018, STR projected transfer station revenues to increase at the same 10.0 percent increase as for 2016 to 2017. STR calculated an increase of $147,348 in 2018, totaling $1,620,829 in projected transfer station revenues.

STR estimated RRF revenues to decrease by $6,331 or 23 percent, between 2016 and 2017. This increase is based on the year-to-date 2017 trend. STR projected transfer station and RRF revenues to increase in 2018, by $27,430, or 127 percent, largely as a result of now taking wood chips to the Bently facility.

Impact(s):

- No adjustment.

Forestry, Federal, and State Contracts

STR estimated forestry, federal, and State contract revenues to increase by approximately $126,047, or 28.2 percent, between 2016 and 2017, largely driven by a new large commercial contract. STR projected no further change in forestry, federal, and State contract revenues for Base Year 2018.

Impact(s):

- No adjustment.

Recycled Material Sales (Materials Recovery Facility (MRF) and Recycling Sales)

STR estimated revenues associated with the MRF sale of recyclables to decrease by approximately $8,869, or 2.82 percent, between 2016 and 2017, largely driven by lower commodity prices for aluminum, plastic, and glass. This estimated decrease is based on the year-to-date 2017 trend. STR projected this decreasing trend in MRF recycled material sales revenues for 2018 (i.e., another 2.82 percent reduction).

STR estimated revenues associated with the recycling sales to decrease by approximately $54,532, or 4.59 percent, between 2016 and 2017. This estimated decrease is based on the year-to-date 2017 trend. STR projected an additional 4.59 percent reduction in revenue for recycling sales for 2018 based on projected challenges with the overseas marketplace.

Impact(s):

- No adjustment.

Operating Expenses

Operating Expense Allocation

For 2018, STR allocated operating expenses between (1) the City of South Lake Tahoe and Douglas County, and (2) El Dorado County, based on Rate Year 2016 residential and commercial collection revenues. Revenue allocation percentages were 79.19 percent and 20.81 percent, respectively, for the City of South Lake Tahoe and Douglas County together, and El Dorado County.[2] We verified that the allocation calculation was supportable and correct.

Impact(s):

- Used collection revenue allocation percentages for operating expense allocations.

Expense Escalation

Per the Rate Manual, the CPI we used in this analysis should be based on the most current actual information for the U.S. City Average Garbage and Trash Collection CPI (CPI). For purposes of projecting inflationary costs, as shown in **Table 3**, we used a 2.12 percent CPI equal to the percent change from the March 2016 to the March 2017 index. We rounded the CPI increase to the nearest hundredth given its material effect on the projections and for consistency with prior assessments.

Table 3
Consumer Price Index (CPI)
Used by Crowe for Rate Setting Purposes

Description	Index
March 2016	437.699
March 2017	446.987
Percent Change	2.12%

STR escalated certain general and administrative expenses for Base Year 2018, including advertising, utilities, and licenses and fees, using this escalation rate.

[2] For comparison purposes, for the 2015 Base Year Rate analysis, STR allocated operating expenses between (1) the City of South Lake Tahoe and Douglas County, and (2) El Dorado County, based on Rate Year 2013 residential and commercial collection revenues. Revenue allocation percentages were 80.39 percent and 19.61 percent, respectively, for the City of South Lake Tahoe and Douglas County together, and El Dorado County.

Impact(s):

- Used an escalation factor of 2.12 percent for selected inflationary costs.

Direct Labor

STR estimated wages and payroll to increase by approximately $168,044, or 2.56 percent, from 2016 to 2017. STR projected total direct labor expenses of $387,411, or 5.77 percent increase from 2017 to 2018. This projected direct labor increase reflects various wage and benefit increases and decreases, including:

- Cost of living adjustment of 3.40 percent applied to wages and salaries, payroll taxes, and employee benefits (based on increases to reflect 30 percent of the STR workforce is subject to new California minimum wage increases)
- Officer salary increases to equal 6 percent of net revenue estimations for 2017 and 2018
- Health insurance expense increase of 6.97 percent from 2017 to 2018; supported by estimates provided by the benefit plan administrator
- Workers' compensation expense increase of 19.40 percent from 2017 to 2018
- Pension expense increase, based on 7.0 percent of labor costs for qualifying employees (where qualifying employees must work at least 1,000 hours).

We noted that there was an approximately $65,000 labor savings resulting from the shorter travel distances experienced by STR with taking material to Carson City Landfill as opposed to Lockwood Landfill. This was however offset by an increase of three new employees needed for transfer hauling/end dump hauling resulting from growing volumes of both MSW and C&D material.

We calculated the two-year average of worker's compensation expenses (estimated 2017 and projected 2018) to normalize the large fluctuations in this cost and reflective of recent steps the company is undergoing to reduce the number of worker's compensation incidents and resulting claims. Worker's compensation costs for the past year (2017) were anomalous in terms of the large number of smaller claims which significantly increased the experience "mod rate: and the resulting amount paid. This reduced worker's compensation costs by **$28,006**.

Impact(s):

- Decrease in Direct Labor expenses by $28,006 for 2018.

Equipment Costs and Facility Costs

STR estimated equipment costs and facility costs to decrease by approximately $92,972, or 6.30 percent, between 2016 and 2017. STR projected equipment costs and facility costs to increase by $58,365 or 4.22 percent, between 2017 and 2018. This projected 2018 increase accounts for the following:

- STR estimated depreciation costs to remain relatively flat over the 2016 to 2018 period, at $1.2M. The current depreciation for 2018 accounts for retirement of certain assets and additions of two new Peterbilt front loader collection trucks and two new Ford fork trucks needed to maintain compliance with California Air Resources Board (CARB) requirements.
- STR estimated 2017 rent costs based on the year-to-date 2017 trend and projected 2018 rent costs set equal to Rate Year 2017 rent costs.
- STR estimated 2017 repairs and maintenance costs based on the year-to-date 2017 trend. STR projected 2018 repairs and maintenance costs to decrease at the same percentage as did

between 2016 and 2017. This decrease was driven by replacement of older trucks required to maintain CARB engine compliance.

Impact(s):

- No adjustment.

Landfill Disposal Costs

STR estimated landfill disposal costs to increase by approximately $212,448, or 21 percent, between 2016 and 2017. STR projected landfill disposal costs of $1,510,900 for 2018, representing a 22 percent increase from 2017. Landfill disposal costs include Lockwood landfill and Carson City landfill dump fees; disposal costs related to e-waste, tire, asphalt, and food waste recycling; and alternative daily cover (ADC) dump fees.

Tables 4 and **5**, below, provides a summary of the dump fees for Lockwood landfill and Carson City landfill, for FY 2016 and FY2017. Per STR's contract with Lockwood landfill, the rate per ton of MSW/C&D increases each April, based on an index. The landfill disposal costs and tonnage do not include disposal costs and tonnages for other "dump fee" services, such as for e-Waste, Freon, tires, tire recycling, and other materials processing and disposal.

Table 4
FY 2016 Actual Landfill Disposal Costs and Tonnage

Landfill	ADC Cost / Ton	ADC Tons	ADC Costs	C&D / Cost / Ton	C&D / Tons	C&D / Costs	MSW / Cost / Ton	MSW / Tonnage[a]	MSW / Costs
Lockwood	$11.42	3,037.38	$34,155	$22.55	269.10	$6,068	$17.15[b]	42,733.90	$732,959.54
Carson City	0.00	10,911.97	0.00	24.00	1,417.29	34,015	24.00	2,248.25	53,958.00
Total		13,949.35	$34,155		1,686.39	$40,083		44,982.15	$786,917.54
	Tons:	**60,617.89**					**Costs:**	**$861,155**	

[a] STR disposes of MSW and C&D (as Alternative Daily Cover, or ADC) at Lockwood Landfill and MSW and C&D at Carson City landfill.
[b] Per STR's contract with Lockwood landfill, the annual tipping fee increased to $17.15 in April 2016.

Table 5
FY 2017 Estimated Landfill Disposal Costs and Tonnage

Landfill	ADC Cost / Ton	ADC Tons	ADC Costs	C&D / Cost / Ton	C&D / Tons	C&D / Costs	MSW / Cost / Ton	MSW / Tonnage[a]	MSW / Costs
Lockwood	$11.42	0	$0.00	$22.55	1,029.75	$22,221	$17.71[b]	36,214.76	$641,350.63
Carson City	0.00	15,531.06	0.00	24.00	1,867.94	44,831	24.00	12,879.50	309,935.99
Total		15,531.06	$0.00		2,897.67	$67,052		49,094.26	$951,286.62
	Tons:	**67,523.01**					**Costs:**	**$1,019.938**	

[a] STR disposes of MSW and C&D (as Alternative Daily Cover, or ADC) at Lockwood Landfill and MSW and C&D at Carson City landfill.
[b] Per STR's contract with Lockwood landfill, the annual tipping fee increased to $17.71 in April 2017.

In projecting landfill dump fees, STR accounted for changes in both tonnage and tipping fees. STR provided documentation from landfills to support the tipping fees they used in their projections. STR has made an operational change to employ a greater use of Carson City Landfill, and is currently managing the flow of materials to both Lockwood and Carson City Landfills depending on the material type, fee, trucking staff availability, time of year, and the ultimate disposition (e.g., disposal versus diversion). Below we summarize STR landfill disposal cost assumptions for 2016 and 2017.

2016

- In May of 2016, Carson City Landfill added a long-haul trailer tipper so STR began taking some MSW loads from Lockwood Landfill to the Carson City Landfill beginning on 5/10/16 to minimize trucking time due to shorter travel distances. At that time, the tip fee rate was $24.00 per ton for MSW and C&D; and ADC material was accepted at Carson City Landfill at no charge.

- STR sent approximately 24% of its MSW loads (based on tonnage) to Carson City Landfill in 2016.

- FY 2016 included ADC "dirty" dirt and a tip fee per yard which varied based on the rate determined by Waste Management and the weekly fuel and environmental surcharge fees. Starting in FY 2017, ADC dirty dirt was redirected to the Carson City Landfill where it is accepted as ADC with no tip fee.

2017

- In 2017, STR redirected some of the C&D loads that had been going to the Carson City Landfill to Lockwood Landfill after the Lockwood Landfill began accepting these C&D loads as ADC. C&D material that had been dumped at the Carson City Landfill for $24.00 per ton is now being redirected to Lockwood for $22.55 per ton where in can be used as ADC and can be counted as diversion instead of disposal. These C&D loads cannot be counted as ADC if taken to the Carson City Landfill.

- In 2017, STR experienced an increase of over 6,900 tons for disposal, and 11 percent overall increase.

- STR sent approximately 45% of its MSW loads (based on tonnage) to Carson City Landfill in 2017, almost double the amount from 2016.

Other Disposal Items (which represent primary drivers for the Landfill Disposal Cost increase):

- STR had paid Tahoe Asphalt (not a related party) a processing fee of $1.50 per ton to recycle asphalt and concrete. As a result of new facility permitting requirements, Tahoe Asphalt raised their fee for the first time to $2.50 per ton effective 5/1/17. This accounted for $50,003 of the 2016 to 2017 Disposal Cost increase.

- STR uses Full Circle Compost for food waste and green waste composting. In 2016, the tip fee for food waste was $30.00 per yard with a 30-yard minimum charge. Full Circle increased the rate to $36.00 per yard effective 5/1/17 but the 30-yard load minimum requirement was removed. Full Circle also charges a fee to open pine needle bags and process the material; this rate was $5.00 per yard in 2016, but due to contamination in the loads Full Circle increased the rate to $6.50 per yard effective 5/1/17. This accounted for $93,273 of the 2016 to 2017 Disposal Cost increase.

STR has made efforts to employ the two landfills to optimize its disposal/ADC mix. These year-over-year disposal cost increases are supported by increases in Landfill disposal volumes as well as increase in tipping fee rates charged by third-parties (e.g., for composting and asphalt recycling). Note that for the Landfill to Carson City shift, STR realized offsetting cost savings which are captured in the Direct Labor cost category.

Within the category of the other materials disposal (other than Landfill Disposal items discussed above, including Freon, asphalt, tire recycling, composting), to normalize the wide fluctuations and the uncertainty for trends in this cost category, for 2018 we used the average of the Application's 2017 estimated and 2018 projection for the project year. STR amounts for 2016, 2017, and 2018 were

$260,609, $284,465 and $412,033. The large 2018 increase reflected projected increases in tonnages. This reduced this portion of the projection by **$63,784**.

Impact(s):

- Decrease in Disposal costs by $63,784 in 2018.

Office Salaries

STR estimated office salaries to increase by $43,895, or 3.87 percent, between 2016 and 2017. STR projected office salary expenses of $1,248,396 for 2018, representing a 5.94 percent increase for 2014. This projected increase accounts for projected wage and benefit changes as follows:

- COLA of 3.40 percent for wages and salaries, payroll taxes, and employee benefits
- Health insurance expense increase of 6.97 percent from 2017 to 2018
- Workers' compensation expense increase of 19.40 percent from 2017 to 2018
- Pension expense increase, based on 7.0 percent of labor costs for qualifying employees (where qualifying employees must work at least 1,000 hours).

Impact(s):

- No adjustment.

General and Administrative Costs

Cost of Goods Sold

STR estimated cost of goods sold to decrease by approximately $33,314, or 5 percent, between 2017 and 2018. This estimated decrease is based on the year-to-date 2017 trend. This reduction results from across the board reductions in COGS paid for materials due to declining recycling market prices.

Advertising, Postage, Utilities, Licenses and Fees

STR escalated advertising, postage, utilities, and licenses and fees using year-to-date 2017 trends. STR projected 2018 costs based on applying the 2.12 CPI percent increase to estimated 2017 costs.

Professional Fees

STR estimated professional fees to increase by 15.1 percent, between 2017 and 2018, based on year-to-date expenditures. We projected professional fees for 2018 based on annualizing the three-year amount for 2016 through 2018. This adjustment reduced projected professional fee expenses by approximately **$26,667** in 2018 to $365,786.

Bad Debts

STR projected bad debts of $7,624 for 2018. STR also included projected 2018 bad debt costs of $7,624 within the allowance for uncollectible residential accounts and commercial accounts, within *Section V Revenues without Rate Change in Base Year* of the application. We reduced General and Administrative Costs for the double counting of bad debt of **$7,624** for 2018.

General Insurance

STR estimated general insurance expenses to increase by $42,853, or 21.70 percent, between 2017 and 2018. STR provided general insurance documentation pertaining to the increased costs. In total, general insurance is expected to increase by 21.70 percent for STR and related parties. We did not make adjustments to STR's projection of 2018 general insurance costs.

Gain (loss) Sale of Equipment

STR's actual gain (loss) sale of equipment in 2016 equaled $80,505, primarily as a result of the sale of a fully depreciated Peterbilt front loader. STR projected no sale of equipment in 2017 and 2018, therefore $0 in gains/(losses).

We calculated projected 2018 sale of equipment using a three-year average, incorporating sales for 2016, 2017, and 2018. We calculated the three-year average at ($26,835), which reduced the sale of equipment expense by **$26,835** for 2018.

Fuel

STR estimated a fuel increase of $8,717, or 2.0 percent, between 2016 and 2017. This increase is based on the year-to-date 2017 trend. STR estimated a fuel increase of $31,879, or 7.00 percent, based on published projections of fuel price escalations. We used a fuel price escalation in 2018 of 2.12 percent (equal to the CPI) and in line with the actual change from 2016 to 2017. This adjustment decreased fuel costs by **$22,224**.

Hazardous Materials

STR projected hazardous materials costs to increase by the annual CPI change of 2.12 percent, as described expense escalation subsection, above. We accept this projection.

Impact(s):

- Decrease in general and administrative costs by $83,350 in 2018.

MRF Principal and Interest Payments (El Dorado County)

STR projected El Dorado County's portion of MRF principal and interest payments of $6,672 for 2018. The MRF debt financing is through a Union Bank term loan of $2 million. STR estimated that approximately 38.3 percent of the term loan is related to the MRF. STR allocated 38.3 percent of financing costs, to MRF principal and interest payments. STR then determined El Dorado County's portion of MRF principal and interest payments, based on the 2016 collection revenue allocation percentage (20.81 percent). We found this approach to determining the MRF principal and interest cost for El Dorado County reasonable.

Impact(s):

- No adjustment.

RRF Principal and Interest Payments (El Dorado County)

STR projected El Dorado County's portion of 2018 RRF principal and interest payments to equal $190,085. The RRF debt financing is through a California Pollution Control Financing Authority (CPCFA) 2008 Bond of $16.615 million. STR determined El Dorado County's portion of RRF principal and interest

payments, based on the 2016 total collection revenue allocation percentage (20.81 percent). We found this approach to determining the MRF principal and interest cost for El Dorado County reasonable.

Impact(s):

- No adjustment.

Other Interest Expenses

Other interest expenses include interest on debt used to finance STR operations, excluding the MRF/RRF building financing. STR projected other interest expenses of $65,908 for 2018. STR then determined El Dorado County's portion of other interest expenses, based on the 2016 total collection revenue allocation percentage (20.81 percent). STR included other interest expenses of $13,715 for El Dorado County's portion, under allowable operating costs.

Impact(s):

- No adjustment.

Operating Profit

In accordance with the Manual, for the City of South Lake Tahoe and Douglas County, a profit is allowed based on a sliding scale which varies with STR's recovery percentage; and for El Dorado County, a profit is allowed, based on a targeted operating ratio ranging between 87 and 91 percent. In a base year, if rates change, STR applies an 89 percent operating ratio for base year calculation.

In the Application, STR used an 87 percent operating ratio for the City of South Lake Tahoe and Douglas County, and an 89 percent operating ratio for El Dorado County. STR provided Waste Facility Diversion Summary Reports, which included monthly tons diverted through six (6) operations: (1) MRF floor sort, (2) MRF line sort, (3) RRF, (4) alternate daily cover (ADC), (5) recycle center, and (6) direct export. Based on its diversion reports, STR's recovery rate was 65 percent for 2016 and 2017.

We calculated operating profit, based on our adjustments to the estimated 2017 and projected 2018 allowable operating costs. We decreased operating profits by **$25,229** in 2018.

Impact(s):

- Decrease in Operating Profits by $25,229 in 2018.

Pass-Through Costs

MRF Principal Payments (City and Douglas)

STR projected the City of South Lake Tahoe and Douglas County's portion of MRF principal payments of $20,954 for 2018. The MRF debt financing was through a Union Bank term loan of $2 million (which was subsequently refinanced to a Bank of America loan in FY15). STR estimated that approximately 38.3 percent of the term loan is related to the MRF. For the Union Bank term loan, STR projected principal payments based on loan balances. STR allocated 38.3 percent of financing costs, to MRF principal payments. STR then determined the City of South Lake Tahoe and Douglas County's portion of MRF principal payments, based on the 2016 collection revenue allocation percentage (79.19 percent).

Impact(s):

- No adjustment.

RRF Principal Payments (City and Douglas)

STR projected the City of South Lake Tahoe and Douglas County's portion of RRF principal payments of $577,238 in 2018. The RRF debt financing is through a CPCFA 2008 Bond of $16.615 million. For the bond financing, STR projected principal payments based on bond balances. STR allocated 100 percent of financing costs, to RRF principal payments. STR then determined the City of South Lake Tahoe and Douglas County's portion of RRF principal payments, based on the 2016 total collection revenue allocation percentage (79.19 percent).

Impact(s):

- No adjustment.

MRF and RRF Interest Expenses (City and Douglas)

STR projected the City of South Lake Tahoe and Douglas County's portion of MRF and RRF interest payments of $150,904 for 2018. The MRF debt financing was through a Union Bank term loan of $2 million (which was subsequently refinanced to a Bank of America loan in FY15). STR estimated that approximately 38.3 percent of the term loan is related to the MRF. The RRF debt financing is through a CPCFA 2008 Bond of $16.615 million.

For the MRF and RRF debt financing, STR projected principal payments based on debt balances, and interest payment based on general ledgers. STR then determined the City of South Lake Tahoe and Douglas County's portion of MRF and RRF interest payments, based on the 2013 collection revenue allocation percentage (79.19 percent).

Impact(s):

- No adjustment.

Other Interest Expenses

Other interest expenses are interest on debt used to finance STR operations, excluding the MRF/RRF building financing. Recently financed assets include several new trucks. STR projected other interest expenses of $65,908 for 2018. STR then determined the City of South Lake Tahoe and Douglas County's portion of other interest expenses, based on the 2013 total collection revenue allocation percentage (79.19 percent). STR included other interest expenses of $52,194, for the City of South Lake Tahoe and Douglas County's portion, under pass-through costs.

Impact(s):

- No adjustment.

RRF Fund Credit

STR removed the RRF fund credit which had been paid to JPA jurisdiction ratepayers, to account for excess rate revenues collected during the construction of the RRF. On March 2, 2012, the JPA approved a RRF fund credit of $4,722,285, with a six (6) year payback period, applied in base years, beginning in 2012. The credit amount was determined by dividing the credit of $4,722,285 by six years, resulting in fund credit amounts of $787,048.

Collection rates in the previous six (6) years had included a total annual RRF fund credit of $787,047, based on a total RRF revenue balance and the six (6) year payback period. As 2017 represents the final

year, STR removed the RRF Fund Credit from the rate base. This is the most significant factor in causing rates to increase for 2018, and effectively represents approximately 50% of the requested rate increase.

Impact(s):

- No adjustment.

Recycling Revenue Bonus

In accordance with the Manual, STR is allowed a recycling revenue bonus, which is tied to STR's diversion levels. For 2018, STR is allowed a 50 percent recycling revenue share, by exceeding the minimum diversion rate of 47 percent. STR projected a recycling revenue bonus of $343,269 for 2018. This calculation is based on: (total recycling revenues less cost of goods sold) x 0.50, or ($1,379,595-$693,058) x 0.50, or $343,269. This $343,269 share amount is included as a pass through cost in the rate model.

Impact(s):

- No change in Recycling Revenue Bonus.

Franchise Fees

STR calculated and allocated projected franchise fees, based on 2015 projected collection revenues and transfer fees, multiplied by franchise fee rates. The Manual allocates franchise fees based on gross residential, commercial, and recycling revenues. The City of South Lake Tahoe and El Dorado County receive five (5) percent of gross revenues and Douglas County receives three (3) percent. Below, we list the revenue sources used for Member Agency franchise fee calculations:

- City of South Lake Tahoe, 5 percent of the following:
  - City residential collection revenues
  - City commercial collection revenues
  - Transfer station and RRF revenues
- El Dorado County, 5 percent of the following:
  - County residential collection revenues
  - County commercial collection revenues
- Douglas County, 3 percent of the following:
  - County residential collection revenues
  - County commercial collection revenues.

Recycling material sales revenues, which includes MRF and recycling sales revenues, are not included in franchise fee calculations. STR projected franchise fees of $716,264 for 2018, including franchise fees of $575,361 for the City of South Lake Tahoe and Douglas County, and franchise fees of $140,903 for El Dorado County.

We projected franchise fees of $734,352 for 2018, including franchise fees of $580,394 for the City of South Lake Tahoe and Douglas County, and franchise fees of $153,958 for El Dorado County. The larger franchise fee number is the result of the calculation being applied to revenues which have been increased to reflect the proposed rate change. STR had applied the franchise fee to revenues prior to the proposed rate change.

Impact(s):

- Increase in franchise fee costs by $18,088 in 2018.

6. Results of Analysis

Crowe's Analysis of the Application, and as shown in Attachment B, results in an 8.37 percent combined rate increase for the City of South Lake Tahoe and Douglas County; and a 9.34 percent rate increase for El Dorado County, assuming an implementation date of January 1, 2018. These rate increases will cover the following revenue shortfalls:

- $877,600 revenue shortfall for the City of South Lake Tahoe, 8.81 percent rate increase for Base Year 2018 (difference from Douglas County is due to franchise fee differences (5% of gross revenues for SLT and 3% of gross revenues for Douglas County))
- $186,149 revenue shortfall for the City of South Lake Tahoe and Douglas County, 6.81 percent rate increase for Base Year 2018
- $306,739 revenue shortfall for El Dorado County, a 9.34 percent rate increase for Base Year 2018.

Accounting for the aforementioned adjustments results in the rate increases shown in **Table 6** on the following page.

Option to Spread Rate Increase

The JPA requested that we calculate the impact of spreading the 2018 base year rate change across both 2018 and 2019 in the following fashion:

- 67 percent of the 2018 rate increase effective on January 1, 2018
- 33 percent of the 2018 rate increase effective on January 1, 2019

Results of this analysis are shown in **Table 7** below:

Table 7
Optional 2018 Base Year Rate Increase
Spread Over Two Rate Years (2018 and 2019)

Date of Rate Change	Percent of Rate Change Applied	City of South Lake Tahoe	Douglas County	El Dorado County
January 1, 2018	67%	5.90%	4.56%	6.26%
January 1, 2019[3]	33%	2.91%	2.25%	3.08%
Total	100%	8.81%	6.81%	9.34%

This Analysis is substantially different from an audit, examination, or review in accordance with Generally Accepted Auditing Standards, the objective of which is to express an opinion regarding STR financial statements. Accordingly, we do not express such an opinion.

[3] Does not include the impact of a potential interim year rate change that STR may apply for which would become effective January 1, 2019.

Table 6
Proposed Residential Rate Structure
Base Year 2018 (January 1, 2018)

Service	Current Rate (Per Customer, Per Month)	Recommended Rate (Per Customer, Per Month, with the Recommended Increase)	Rate Increase (Per Customer, Per Month)
City of South Lake Tahoe		**8.81%**	
Unlimited service	**$26.55**	**$28.89**	**$2.34**
Mandated pickup per 32-gallon can/bag	5.67	6.17	0.50
Mandated pickup per cubic yard	37.96	41.30	3.34
Qualified senior rate	22.20	24.15	1.95
House service – 1 can	30.41	33.09	2.68
House service – 2 cans	34.28	37.30	3.02
House service – 3 cans	38.14	41.50	3.36
Residential – All other services	-	-	-
Douglas County		**6.81%**	
1, 32-gallon can	**$17.72**	**$18.93**	**$1.21**
2, 32-gallon cans	34.11	36.43	2.32
3, 32-gallon cans	52.02	55.56	3.54
4, 32-gallon cans	68.42	73.08	4.66
One extra 32-gallon can	4.45	4.75	0.30
On-call 32-gallon can billed monthly/arrears	-	-	-
Per cubic yard	28.63	30.58	1.95
1, 45-gallon can	21.49	22.95	1.46
2, 45-gallon can	41.31	44.12	2.81
3, 45-gallon can	62.95	67.23	4.28
One extra 45-gallon can	5.41	5.78	0.37
On-call 45-gallon can billed monthly/arrears	-	-	-
Residential – All other services	84.03	89.75	5.72
El Dorado County		**9.34%**	
Unlimited service	**$30.47**	**$33.32**	**$2.85**
Mandated pickup per 32-gallon can/bag	6.38	6.98	0.60
Mandated pickup per cubic yard	36.53	39.94	3.41
Qualified senior rate	26.58	29.06	2.48
House service per can	3.86	4.22	0.36
Residential – All other services	16.71	18.27	1.56

The consulting services did not contemplate obtaining the understanding of STR internal controls or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an audit or examination. Thus, this engagement was not intended to provide assurance that we would become aware of significant matters that would be disclosed in an audit or examination.

As part of this Analysis, the JPA agreed to be responsible to: make all management decisions and perform all management functions; designate an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management to oversee our services; evaluate the adequacy and results of the services performed; accept responsibility for the results of the services; and establish and maintain internal controls, including monitoring ongoing activities. The JPA has authority for recommending rate changes to each JPA jurisdiction, and each JPA jurisdiction has the ultimate authority to approve rate changes.

Crowe's fees are not dependent upon the outcome of this report and Crowe is independent with respect to any other economic interests.

* * * * *

We appreciate the contribution of JPA management and your input and direction on this project. We also thank STR management for its timely responses to our data requests. If you have any questions regarding this report, please call Erik Nylund at (415) 230-4963, or email erik.nylund@crowhorwath.com.

Very truly yours,

Attachment A: 2018 Base Year Rate Application

Base Year Rate Application

Summary

Rate Change

1.	Percent Rate Change Requested (City of South Lake Tahoe and Douglas County)	9.59%
	Percent Rate Change Requested (El Dorado County)	10.19%

Residential Rate Schedule

	Rate Schedule (per customer, per month)	Current Rate (1)	Rate Adjustment	New Rate (1)
2.	City of South Lake Tahoe			
	2.1. Unlimited service	$ 26.55	$ 2.55	$ 29.10
	2.2. Mandated pickup per 32-gallon can/bag	5.67	0.54	6.21
	2.3. Mandated pickup per cubic yard	37.96	3.64	41.60
	2.4. Qualified senior rate	22.20	2.13	24.33
	2.5. House service - 1 can	30.41	2.92	33.33
	2.6. House service - 2 cans	34.28	3.29	37.57
	2.7. House service - 3 cans	38.14	3.66	41.80
	2.8. Residential - All other services	-	-	-
3.	Douglas County			
	3.1. 1, 32-gallon can	$ 17.72	$ 1.70	$ 19.42
	3.2. 2, 32-gallon cans	34.11	3.27	37.38
	3.3. 3, 32-gallon cans	52.02	4.99	57.01
	3.4. 4, 32-gallon cans	68.42	6.56	74.98
	3.5. One extra 32-gallon can (also the seasonal service rate)	4.45	0.43	4.88
	3.6. On-call 32-gallon can billed monthly/arrears	n/a	n/a	-
	3.7. Per cubic yard	28.63	2.75	31.38
	3.8. 1, 45-gallon can	21.49	2.06	23.55
	3.9. 2, 45-gallon cans	41.31	3.96	45.27
	3.10. 3, 45-gallon cans	62.95	6.04	68.99
	3.11. One extra 45-gallon can (also the seasonal service rate)	5.41	0.52	5.93
	3.12. On-call 45-gallon can billed monthly/arrears	n/a	n/a	-
	3.13. Residential - All other services	84.03	8.06	92.09
4.	El Dorado County			
	4.1. Unlimited service	$ 30.47	$ 3.11	$ 33.58
	4.2. Mandated pickup per 32-gallon can/bag	6.38	0.65	7.03
	4.3. Mandated pickup per cubic yard	36.53	3.72	40.25
	4.4. Qualified senior rate	26.58	2.71	29.29
	4.5. House service per can	3.86	0.39	4.25
	4.6. Residential - All other services (Area B - formerly ARD)	16.71	1.70	18.41

Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the South Lake Tahoe Basin Waste Management Authority.

Name: Jeffery Tillman Title: President

Signature: Date: May 31, 2017

(1) Rate does not include the street sweeping ($0.25), the nuisance abatebatment ($0.25), or the clean community surcharges ($0.40).

Base Year Rate Application

Financial Information for All Three Jurisdictions

		Actual Audited Prior Year All Three Jurisdictions Ended 6/30/16	Estimated Current Year All Three Jurisdictions Ending 6/30/2017	Projected Base Year City of SLT and Douglas County Ending 6/30/2018	Projected Base Year El Dorado County Ending 6/30/2018
	Section I--Allowable Operating Costs				
5.	Direct Labor	$ 6,551,782	$ 6,719,808	$ 5,628,290	$ 1,478,926
6.	Equipment Costs and Facility Costs	1,476,751	1,383,779	1,142,051	300,093
7.	Landfill Disposal Costs	1,028,578	1,241,026	1,196,500	314,400
8.	Office Salaries	1,134,479	1,178,374	988,620	259,776
9.	General and Administrative Costs	3,389,358	3,331,664	2,687,232	706,526
10.	MRF Principal and Interest Payments (El Dorado County)	18,082	6,533	0	6,672
11.	RRF Principal and Interest Payments (El Dorado County)	293,807	185,595	0	190,085
	Other Interest Expenses	8,097	10,077	0	13,715
12.	Total Allowable Operating Costs	$ 13,899,914	$ 14,056,856	$ 11,642,693	$ 3,270,193
	Section II--Allowable Operating Profit				
13.	Operating Ratio	87.00%	87.00%	87.00%	89.00%
14.	Allowable Operating Profit	$ 2,076,849	$ 2,100,449	$ 1,739,713	$ 404,181
	Section III--Pass Through Costs without Franchise Fees				
15.	MRF Principal Payments (City and Douglas)	$57,441	$20,594	$20,594	$0
16.	RRF Principal Payments (City and Douglas)	1,004,865	577,239	577,238	0
17.	MRF and RRF Interest Expenses (City and Douglas)	116,938	133,288	150,904	0
	Other Interest Expenses	30,810	38,348	52,193	0
18.	RRF Fund Credit	0	0	0	0
19.	Recycling Revenue Bonus	306,143	356,937	289,720	53,549
20.	Total Pass Through Costs	$1,516,197	$1,126,405	$1,090,649	$53,549
	Section IV--Revenue Requirement without Franchise Fees				
21.	Total Allowable Operating Costs (Line 12) plus Allowable Operating Profit (Line 14) plus Total Pass Through Costs (Line 20)	$ 17,491,960	$ 17,283,709	$ 14,473,054	$ 3,727,923
	Section V--Revenues without Rate Change in Base Year				

Residential Revenues	Current Rate/Month	Months	Projected Accounts		Total	
City of South Lake Tahoe						
22. Unlimited service	$ 28.55	12	14,183		$ 4,518,704	
23. Mandated pickup per 32-gallon can/bag	5.67	12	0		0	
24. Mandated pickup per cubic yard	37.96	12	0		0	
25. Qualified senior rate	22.20	12	73		19,447	
26. House service - 1 can	30.41	12	3		1,095	
27. House service - 2 cans	34.28	12	0		0	
28. House service - 3 cans	38.14	12	0		0	
29. Residential - All other services	-	12	0		0	
Douglas County						
30. 1, 33-gallon can	$ 17.72	12	1,180		$ 250,915	
31. 2, 33-gallon cans	34.11	12	274		112,184	
32. 3, 33-gallon cans	52.02	12	24		14,982	
33. 4, 33-gallon cans	68.42	12	4		3,284	
34. One extra 33-gallon can (plus the seasonal service rate)	4.45	12	0		0	
35. On-call 33-gallon can billed monthly/annual	n/a	12	0	# pickups	0	
36. Per cubic yard	28.63	12	0		0	
37. 1, 45-gallon can	21.49	12	326		83,811	
38. 2, 45-gallon cans	41.31	12	52		25,777	
39. 3, 45-gallon cans	62.95	12	2		1,511	
40. One extra 45-gallon can (plus the seasonal service rate)	5.41	12	0		0	
41. On-call 45-gallon can billed monthly/annual	n/a	12	0	# pickups	0	
42. Residential - All other services	84.03	12	1		1,008	
El Dorado County						
43. Unlimited service	$ 30.47	12	8,313			$ 2,308,285
44. Mandated pickup per 32-gallon can/bag	6.38	12	0			0
45. Mandated pickup per cubic yard	36.53	12	0			0
46. Qualified senior rate	26.58	12	27			6,812
47. House service per can	3.86	12	4			185
48. Residential - All other services (Area B - formerly ARD)	16.71	12	135			27,079
49. Residential Revenues Subtotal					$ 5,092,686	$ 2,344,153
50. Less: Allowance for Uncollectible Residential Accounts					(4,570)	(1,530)
51. Total Residential Revenues (without Rate Change in Base Year)			$ 7,214,265	$ 7,251,902	$ 6,028,119	$ 2,342,623
52. Commercial Revenues					$ 5,898,820	$ 473,900
53. Less: Allowance for Uncollectible Commercial Accounts					(1,142)	(382)
54. Total Commercial Revenues (without Rate Change in Base Year)			$ 5,653,319	$ 6,000,370	$ 5,897,678	$ 473,518
55. Transfer Station and RRF Revenues (AND FORESTRY, FED, STATE CONTRACTS)			1,814,497	2,068,166	1,776,214	466,729
56. Recycled Material Sales			1,503,646	1,440,245	1,128,272	251,323
57. Total Revenues (Lines 51 + 54 + 55 + 56)			$ 16,185,717	$ 16,760,883	$ 13,830,282	$ 3,534,193
	Section VI--Net Shortfall (Surplus)					
58. Net Shortfall (Surplus) without Franchise Fees (Line 21 - Line 57)			$ 1,306,243	$ 523,026	$ 642,772	$ 193,730
59. Residential and Commercial Franchise Fees			$ 665,964	$ 684,153	$ 575,361	$ 140,803
60. Net Shortfall (Surplus) with Franchise Fees (Lines 58 + 59)			$ 1,972,207	$ 1,207,179	$ 1,218,133	$ 334,533
	Section VII--Percent Change in Rates					
61. Total Residential, Commercial, Transfer Station, and RRF Revenues Prior to Rate Change (Line 51 + 54 + 55)					$ 12,782,618	$ 3,282,870
62. Percent Change in Existing Residential/Commercial/Transfer Station/RRF Rates (Line 60 ÷ Line 61)					9.54%	10.19%

Fiscal Year: *2018*

See summaries of significant assumptions and accounting policies and accompanying independent accountants' report

Base Year Rate Application

Operating Information

		Prior Year Audited Information All Three Jurisdictions	Current Year Estimated Information All Three Jurisdictions	Percent Change	Base Year Projected Information City of SLT and Douglas County	Base Year Projected Information El Dorado County	Percent Change
	Section VIII--Operating Data						
		(1)					
63.	Residential Accounts	18,996	19,007	0.06%	12,617	6,453	0.33%
64.	Multi-family Accounts	3,515	3,515	0.00%	3,504	26	0.43%
65.	Commercial Accounts	954	957	0.31%	823	138	0.42%
66.	Total Accounts	23,465	23,479	0.06%	16,944	6,617	0.35%
67.	Residential Refuse Tons	22,652	25,170	11.12%	22,480	3,509	3.25%
68.	Residential Recycling Tons	40,014	42,070	5.14%	37,574	5,884	3.25%
69.	Residential Yard Waste Tons	3,957	4,675	18.12%	4,175	652	3.25%
70.	Commercial Refuse Tons	23,202	28,727	23.81%	25,657	4,004	3.25%
71.	Commercial Recycling Tons	40,986	48,016	17.15%	42,884	6,693	3.25%
	Commercial Yard Waste Tons	4,054	5,335	31.62%	4,765	744	3.25%
72.	"Free" Drop Boxes Provided *(Monthly)*	5	5	%	5	0	%
73.	"Free" Bins Provided	57	57	%	57	0	%
	Section IX--Change in Commercial Rates						
74.	2 Yard Bin--Once per Week			%			%
75.	3 Yard Bin--Once per Week			%			%
76.	4 Yard Bin--Once per Week			%			%
77.	5 Yard Bin--Once per Week			%			%
78.	6 Yard Bin--Once per Week			%			%
	City - per cubic yard	30.20	30.69	1.62%	33.63	0.00	9.59%
	Douglas - per cubic yard	25.61	26.02	1.60%	28.52	0.00	9.59%
	El Dorado - per cubic yard	35.95	36.53	1.61%	0.00	40.25	10.19%
	City - compacted per cubic yard	42.37	43.06	1.63%	47.19	0.00	9.59%
	Douglas - compacted per cubic yard	33.09	33.62	1.60%	36.84	0.00	9.59%
	El Dorado - compacted per cubic yard	48.13	48.91	1.62%	0.00	53.90	10.19%
	City - per 32 gal can/bag	4.16	4.23	1.68%	4.64	0.00	9.59%
	Douglas - per 32 gal can/bag	4.02	4.08	1.49%	4.47	0.00	9.59%
	El Dorado - per 32 gal can/bag	6.28	6.38	1.59%	0.00	7.03	10.19%

(1) Amounts are based on management's estimate.

Attachment B: Crowe Rate Model with Adjustments

Attachment B, Adjustments to Fiscal Year 2018 Rate Application

	FY 2018 Base Year Projection			Crowe Horwath Adjustments			Adjusted Amount		
	City of SLT and Douglas County	El Dorado County	All Member Agencies	City of SLT and Douglas County	El Dorado County	All Member Agencies	City of SLT and Douglas County	El Dorado County	All Member Agencies
Allowable Operating Expenses									
Direct Labor	$ 5,628,290	$ 1,478,926	$ 7,107,216	(22,178)	(5,828)	$ (28,006)	$ 5,606,112	$ 1,473,098	$ 7,079,210
Equipment Costs and Facility Costs	1,142,051	300,093	1,442,144	-	-	-	1,142,051	300,093	1,442,144
Landfill Disposal Costs	1,196,500	314,400	1,510,900	(50,510)	(13,273)	(63,784)	1,145,990	301,127	1,447,116
Office Salaries	988,620	259,776	1,248,396	-	-	-	988,620	259,776	1,248,396
General and Administrative Costs	2,687,232	706,526	3,393,758	(66,005)	(17,345)	(83,350)	2,621,227	689,181	3,310,408
MRF Principal and Interest Payments (El Dorado County)	-	6,672	6,672	-	-	-	-	6,672	6,672
RRF Principal and Interest Payments (El Dorado County)	-	190,085	190,085	-	-	-	-	190,085	190,085
Other Interest Expenses	-	13,715	13,715	-	-	-	-	13,715	13,715
Total Operating Expenses	$ 11,642,693	$ 3,270,193	$ 14,912,886	$ (138,693)	$ (36,447)	$ (175,140)	$ 11,504,000	$ 3,233,746	$ 14,737,746
Allowable Operating Profit									
Operating Ratio	87%	89%		87%	89%		87%	89%	
Allowable Operating Profit	$ 1,739,713	$ 404,181	$ 2,143,894	$ (20,725)	$ (4,504)	$ (25,229)	$ 1,718,988	$ 399,677	$ 2,118,665
Pass-Through Costs without Franchise Fees									
MRF Principal Payments (City and Douglas)	$ 20,594	$ -	$ 20,594	$ -	$ -	$ -	$ 20,594	$ -	$ 20,594
RRF Principal Payments (City and Douglas)	577,238	-	577,238	-	-	-	577,238	-	577,238
MRF and RRF Interest Expenses (City and Douglas)	150,904	-	150,904	-	-	-	150,904	-	150,904
Other Interest Expenses	52,193	-	52,193	1	-	1	52,194	-	52,194
RRF Fund Credit	-	-	-	-	-	-	-	-	-
Recycling Revenue Bonus	289,720	53,549	343,269	-	-	-	289,720	53,549	343,269
Total Pass-through Expenses	$ 1,090,649	$ 53,549	$ 1,144,198	$ 1	$ -	$ 1	$ 1,090,650	$ 53,549	$ 1,144,199
Revenue Requirement without Franchise Fees	$ 14,473,055	$ 3,727,923	$ 18,200,978	$ (159,418)	$ (40,951)	$ (200,368)	$ 14,313,637	$ 3,686,972	$ 18,000,610
Revenues									
Residential Revenues Subtotal	$ 5,032,688	$ 2,344,153	$ 7,376,841	$ -	$ -	$ -	$ 5,032,688	$ 2,344,153	$ 7,376,841
Less: Allowance for Uncollectible Residential Accounts	(4,570)	(1,530)	(6,100)	-	-	-	(4,570)	(1,530)	(6,100)
Total Residential Revenues (without Rate Change in Base Year)	$ 5,028,118	$ 2,342,623	$ 7,370,741	$ -	$ -	$ -	$ 5,028,118	$ 2,342,623	$ 7,370,741
Commercial Revenues	$ 5,898,820	$ 473,900	$ 6,372,720	$ -	$ -	$ 1	$ 5,898,820	$ 473,900	$ 6,372,721
Less: Allowance for Uncollectible Commercial Accounts	(1,142)	(382)	(1,524)	-	-	-	(1,142)	(382)	(1,524)
Total Commercial Revenues (without Rate Change in Base Year)	$ 5,897,678	$ 473,518	$ 6,371,196	$ -	$ -	$ 1	$ 5,897,678	$ 473,518	$ 6,371,197
Transfer Station and RRF Revenues (AND FORESTRY, FED, STATE CONTRACTS)	$ 1,776,214	$ 466,729	$ 2,242,943	$ -	$ 1	$ 1	$ 1,776,214	$ 466,730	$ 2,242,944
Recycled Material Sales	1,128,272	251,323	1,379,595	-	-	-	1,128,272	251,323	1,379,595
Total Revenues	$ 13,830,282	$ 3,534,193	$ 17,364,475	$ -	$ 1	$ 2	$ 13,830,282	$ 3,534,194	$ 17,364,476
Net Shortfall (Surplus) without Franchise Fees	$ 642,773	$ 193,730	$ 836,503	$ (159,418)	$ (40,950)	$ (200,366)	$ 483,355	$ 152,781	$ 636,137
Residential and Commercial Franchise Fees	$ 575,361	$ 140,903	$ 716,264	$ 5,033	$ 13,055	$ 18,088	$ 580,394	$ 153,958	$ 734,352
Net Shortfall (Surplus) with Franchise Fees	$ 1,218,134	$ 334,633	$ 1,552,767	$ (154,385)	$ (27,894)	$ (182,278)	$ 1,063,749	$ 306,739	$ 1,370,489
Total Residential, Commercial, Transfer Station, and RRF Revenues Prior to Rate Change	$ 12,702,010	$ 3,282,870	$ 15,984,880	$ 12,547,626	$ 3,254,977	$ 15,802,603	$ 12,702,010	$ 3,282,871	$ 15,984,881
Percent Change in Existing Residential/Commercial/Transfer Station/RRF Rates	9.59%	10.19%	9.71%	-1.23%	-0.86%	-1.15%	8.37%	9.34%	8.57%

NOTICE OF HEARING
SOUTH LAKE TAHOE CITY COUNCIL WILLL BE CONSIDERING A REQUEST BY SOUTH TAHOE REFUSE CO. TO INCREASE SOLID WASTE REFUSE RATES

NOTICE IS HEREBY GIVEN that the City Council of the City of South Lake Tahoe will be conducting a public hearing on Tuesday, December 12, 2017 at 9:00 a.m. (or soon thereafter) in the City Council Chambers located at 1901 Airport Road, South Lake Tahoe, California to consider a request by South Tahoe Refuse Co. to increase solid waste refuse base rate to cover rising costs of delivering the service, primarily due to higher operating costs including landfill disposal cost increases, household hazardous waste disposal costs, utility costs, insurance costs, and higher labor costs. The proposed base rate increase is 8.81% or $2.34 per month for residential unlimited service.

All interested persons are invited to attend and give input on this matter. For more information, please contact the South Tahoe Refuse Company at (530) 541-5105 or address comments to the City Council in care of Assistant City Clerk at epalazzo@cityofslt.us.

Susan Alessi, City Clerk
City of South Lake Tahoe
1901 Airport Road
South Lake Tahoe, CA 96150
salessi@cityofslt.us
(530) 542-6004

Pub: December 1, 2017 **Ad#0000155656**

CITY OF SOUTH LAKE TAHOE

NOTICE

PROPOSED SOLID WASTE RATE ADJUSTMENTS AND PUBLIC HEARING ON DECEMBER 12, 2023

NOTICE IS HEREBY GIVEN that on Tuesday, December 12, 2023, at 5:30 p.m., a public hearing will be held at the City of South Lake Tahoe City Council Chambers located at 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150 to consider proposed adjustments to the City's residential and commercial solid waste rates, provided by South Tahoe Refuse (STR).

The costs of collection and processing of the waste stream in the City of South Lake Tahoe has gone up. As a result, STR, the City's franchised waste hauler, proposes to increase the collection rates charged, as shown on in this notice.

PROPOSED SOLID WASTE RATES

The City maintains a solid waste franchise agreement with STR for collection and disposal services. The franchise agreement includes provisions for adjustments to the rates charged for these services. The Rate Setting Policy and Procedures Manual is used by the three partners in the South Lake Tahoe Basin Waste Management Authority (JPA): the City of South Lake Tahoe, El Dorado County, and Douglas County. The JPA has reviewed the proposed rate increase and provided a recommendation to the City and other agency partners.

A base year adjustment is reviewed every three years. The base year adjustment proposed for 2024 is an increase of 11.05% as shown in the table following this section.

PUBLIC HEARING AND PROTEST PROCEEDINGS

As the property owner/ratepayer, you have the right to protest the proposed rate increases. If it is determined that a majority of property owners/rate payers have submitted a formal protest, the proposed fee change must be rejected.

Only one protest notice is allowed per parcel. If you choose to protest, you must submit a signed written protest to the City Clerk on or before the close of the public hearing. The written protest must contain your full name and signature (or that of an authorized representative), the address of service, and a statement that you are protesting the proposed rate increases.

Original written protests can be mailed or personally delivered to the City Clerk, but must be received by no later than the close of the public hearing on December 12, 2023. Written protests may be mailed to:

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

If you have any questions regarding this notice or the proposed rate adjustments, or you would like more information, please email sblankenship@cityofslt.us.

RESIDENTIAL

The City's solid waste rates were last adjusted January 1, 2023. If the proposed rate increase is approved it will go into effect January 1, 2024.

TABLE A: RESIDENTIAL SOLID WASTE PROPOSED RATE INCREASES

Service	Rate Frequency	2023 base rate	Base Year (11.05%)	2024 Base Rate
Unlimited	Monthly	$ 37.15	$ 4.11	$ 41.26
Mandated pickup per 32-gallon can/bag	Per pickup	$ 7.78	$ 0.86	$ 8.64
Mandated pickup per cubic yard	Per pickup	$ 52.05	$ 5.75	$ 57.80
Qualified Senior Rate	Monthly	$ 22.90	$ 2.53	$ 25.43
Household service: 1 can	Monthly	$ 42.44	$ 4.69	$ 47.13
Household service: 2 cans	Monthly	$ 47.76	$ 5.28	$ 53.04
Household service: 3 cans	Monthly	$ 53.04	$ 5.86	$ 58.90
*Clean Tahoe Rate included in Base Rate	Monthly	$ 0.73	$ 0.08	$ 0.81

*Base Rate does not include monthly City surcharge amounts for Street Sweeping ($0.25) and Nuisance Abatement ($0.25)

ADDITIONAL RESIDENTIAL SERVICE FEES

In addition, beginning January 1, 2024, the following services are subject to the following fees per occurrence:

Bulky Item (City)	$ 35.00	Replacement of Animal-Resistant Cart	$ 260.00
Bulky Item (Clean Tahoe)	$ 30.00	Contamination (car; any size)	$ 25.00
Animal Cleanup (Clean Tahoe)	$ 35.00	Return for Service (if container not set out)	$ 25.00
Replacement of Recycling or Yard Waste Cart	$ 70.00	Overfilled Trash Carts	$ 10.00

COMMERCIAL

The City's solid waste rates were last adjusted January 1, 2023. If the proposed rate increase is approved it will go into effect January 1, 2024.

TABLE B: COMMERCIAL SOLID WASTE PROPOSED RATE INCREASES

Service	Rate Frequency	2023 base rate	Base Year (11.05%)	2024 Base Rate
Per cubic yard	Per pickup	$ 42.50	$ 4.70	$ 47.20
Per 32-gallon can	Per pickup	$ 5.85	$ 0.65	$ 6.50
Per 45-gallon can	Per pickup	$ 7.27	$ 0.80	$ 8.07
Compacted rate per yard	Per pickup	$ 59.64	$ 6.59	$ 66.23
*A Clean Tahoe Rate of 2.33% is included in the base rate				
Per cubic yard	Per pickup	$ 0.99	$ 0.11	$ 1.10
Per 32-gallon can	Per pickup	$ 0.14	$ 0.02	$ 0.16
Per 45-gallon can	Per pickup	$ 0.17	$ 0.02	$ 0.19
Compacted rate per yard	Per pickup	$ 1.39	$ 0.15	$ 1.54

ADDITIONAL COMMERCIAL SERVICE FEES

In addition, beginning January 1, 2024, the following services are subject to the following fees per occurrence:

Bulky Item (City)	$ 35.00	Steam Clean (owns container) Single Six-Yard Bin	$ 35.00
Bulky Item (Clean Tahoe)	$ 30.00	Steam Clean (owns container) Compactor	$ 100.00
Animal Cleanup (Clean Tahoe)	$ 35.00	Inaccessible	$ 35.00
Contamination (food waste)	$ 35.00	Roll-Off Inaccessible	$ 125.00
Contamination (bin)	$ 50.00	Replacement of Recycling or Yard Waste Cart	$ 70.00
Contamination (cart)	$ 25.00	Replacement of Animal-Resistant Cart	$ 260.00
Overfilled Bin	$ 35.00	Replacement or Repair of Bin	Fees Vary
Overfilled Cart	$ 35.00	Late Fee/Resume Service Fee	$ 35.00

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October 20, 2023

Authority Staff
South Lake Tahoe Basin Waste Management Authority
1901 Airport Road
South Lake Tahoe, CA 96150

Subject: Draft Report – **Base Year 2024 Rate Analysis of South Tahoe Refuse Company**

Crowe LLP (Crowe) has completed its analysis of South Tahoe Refuse Company's (STR's) Base Year 2024 Rate Application (Application). The South Lake Tahoe Basin Waste Management Authority (JPA) contracted with Crowe to conduct an analysis of the Application, and to provide potential refuse collection rate changes for the JPA to consider effective January 1, 2024. This letter report documents results of our analysis, and is organized as follows:

A. Purpose of Analysis
B. Summary
C. Background of Analysis
D. Scope of Analysis
E. Base Year 2024 Rate Setting Analysis and Adjustments
F. Senate Bill 1383 2025/26 Rate Setting Analysis and Adjustments
G. Results of Base Year 2024 Analysis
H. Results of Senate Bill 1383 2025/26 Analysis.

There are four (4) attachments to this report.

- Attachment A – Proposed Residential Rate Structure
- Attachment B – 2024 Base Year Rate Application
- Attachment C – Crowe Base Year 2024 Rate Model with Adjustments
- Attachment D – Crowe Combined Base Year 2024 and SB 1383 Implementation Rate Model with Adjustments.

A. Purpose of Analysis

The purpose of the 2024 Base Year Rate Analysis of South Tahoe Refuse Company (Analysis) is to assist the South Lake Tahoe Basin Waste Management Authority (JPA), and each respective JPA jurisdiction including the City of South Lake Tahoe, Douglas County, and El Dorado County (Specified Parties), with their establishing solid waste collection rates charged by South Tahoe Refuse Company Inc. (STR). The base year analysis was conducted in accordance with JPA's Solid Waste Rate Setting Policies and Procedures Manual (Manual).

The information in this Analysis is based on estimates, assumptions and other data developed by Crowe LLP ("Crowe") from information provided by STR, knowledge of and participation in other studies, data supplied by the JPA, and other sources deemed to be reliable.

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In the course of preparing this Analysis, we have not conducted an audit, review, or compilation of any financial or supplemental data used in the accompanying Analysis. We have made certain projections of revenues and expenses which may vary from actual results because events and circumstances frequently do not occur as expected and such variances may be material. We have no responsibility to update this Analysis for events or circumstances occurring after the date above.

Our procedures and work product are intended for the benefit and use of the Specified Parties. This engagement was not planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The JPA agreed to be responsible to make all management decisions and perform all management functions; designate an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management to oversee these services; evaluated the adequacy and results of the services performed; and accepted responsibility for the results of the services.

B. Summary

STR submitted an application for two rate changes:

1) Base Year 2024 Rate Request
2) Senate Bill 1383 2025/26 Rate Increase Request.

Crowe analyzed each of these two requests. The impact of each of them is summarized below:

1. Base Year 2024 Rate Request

The analysis of the 2024 rate application and supporting documentation indicates a rate increase of 11.05 percent for the City of South Lake Tahoe, 8.15 percent for Douglas County, and 8.33 percent for El Dorado County, effective January 1, 2024. This compares to STR's requested calendar year 2024 rate increase of 12.29 percent for the City of South Lake Tahoe and Douglas County and 10.09 percent for El Dorado County. Current and proposed residential and commercial rates are shown in **Tables 1** and **2** below. The complete recommended 2024 rate structure is provided in **Attachment A** of this report.

2. Senate Bill 1383 2025/26 Rate Increase Request

Th analysis of the SB 1383 request and supporting documentation, as shown in **Attachment D**, results in an additional 10.16 percent rate increase, combined for the three jurisdictions. This compares to the 10.72 percent rate increase requested by STR. We view this as a maximum rate increase and recommend that the JPA work with STR on how to implement this rate change in advance of 2025. We recommend that the JPA and STR review updated and more refined estimated costs of this SB 1383 program as part of the next 2025 interim year rate change process. Under a two-year phased scenario, the 10.16 percent rate increase represents a 5.08 percent rate increase implemented January 1, 2025 and another 5.08 percent rate increase implemented January 1, 2026. These 2025 and 2026 rate increases do not consider the impacts of the interim year rate setting process for 2025 and 2026 as specified in the Rate Manual.

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Table 1
South Tahoe Refuse
Residential Rates with 11.05 Percent Base Year Rate Increase for the City of South Lake Tahoe, 8.15 Percent Base Year Rate Increase for Douglas County and 8.33 Percent Rate Increase for El Dorado County (Base Year 2024)

Service Level	Current Rate (Per Customer, Per Month)	Proposed Rate (Per Customer, Per Month	Proposed Rate Increase (Per Customer, Per Month)
City of South Lake Tahoe			
Unlimited service[1]	$37.15	$41.26	$4.11
Douglas County			
1, 32-gallon can	$23.37	$25.27	$1.90
El Dorado County			
Unlimited service	$40.77	$44.17	$3.40

Table 2
South Tahoe Refuse
Commercial Rates with 11.05 Percent Base Year Rate Increase for the City of South Lake Tahoe, 8.15 Percent Base Year Rate Increase for Douglas County and 8.33 Percent Rate Increase for El Dorado County (Base Year 2024)

Service Level	Current Rate (Per Customer, Per Month)	Proposed Rate (Per Customer, Per Month	Proposed Rate Increase (Per Customer, Per Month)
City of South Lake Tahoe			
Per cubic yard	$42.50	$47.20	$4.70
Douglas County			
Per cubic yard	$34.30	$37.10	$2.80
El Dorado County			
Per cubic yard	$48.88	$52.95	$4.07

[1] Excluding City surcharges for street sweeping ($0.25) and nuisance abatement ($0.25).

C. Background of Analysis

The joint powers authority (JPA) is comprised of the City of South Lake Tahoe, California; Douglas County, Nevada; and El Dorado County, California (Member Agencies). The JPA is responsible for overseeing regional cooperation regarding solid waste and coordinating solid waste program planning and reporting for these Member Agencies.

The franchise hauler for the three (3) jurisdictions is STR. Each Member Agency has an exclusive franchise agreement with STR for collection and disposal of refuse. STR provides exclusive refuse collection, recycling, and transfer station operations to Member Agencies in accordance with terms specified in separate franchise agreements.

JPA rate setting follows the JPA's 2012 *Solid Waste Rate Setting Policies and Procedures Manual*, Volume 2 (Manual). The Manual allows STR to submit a base year rate application for the rate year 2024. Our analysis was conducted in accordance with Steps 2, 3, 4, and 5 in Section 2 of the Manual.[2]

Rate setting has generally followed an approximately three-year cycle with the prior base year rate analysis conducted for rate year 2024. The JPA and STR followed the Base Year Rate Setting Process in Section 3 of the Manual for base rate year 2024. Recently approved rate changes granted to STR include:

- 2016 – No rate change – interim year
- 2017 – 1.62 percent rate increase (City of South Lake Tahoe and El Dorado County) and 1.59 percent rate increase (Douglas County) – interim year.
- 2018 – 8.81 percent rate increase (City of South Lake Tahoe and El Dorado County) and 6.81 percent rate increase (Douglas County) – base year
- 2019 – 3.11 percent rate increase (City of South Lake Tahoe and El Dorado County) and 3.05 percent rate increase (Douglas County) – interim year.
- 2020 – 2.93 percent rate increase (City of South Lake Tahoe and El Dorado County) and xx percent rate increase (Douglas County) – interim year.
- 2021 – 9.04 percent rate increase (City of South Lake Tahoe and El Dorado County) and 8.82 percent rate increase (Douglas County) – base year
- 2022 – 3.77 percent rate increase (City of South Lake Tahoe and El Dorado County) and 3.69 percent rate increase (Douglas County) – interim year.
- 2023 – 4.96 percent rate increase (City of South Lake Tahoe and El Dorado County) and 4.86 percent rate increase (Douglas County) – interim year.

In **Table 3,** we summarize residential rates since 2016.

[2] The JPA allows for the franchise hauler to submit an interim year rate application in each of the "interim" two (2) years between "base" years, should the franchised hauler want to request an increase rates.

Table 3
South Tahoe Refuse
Selected Residential Rates (2016-2023)

Service Level	2016	2017	2018	2019	2020	2021	2022	2023
City of South Lake Tahoe								
Unlimited Service	$26.13	$26.55	$28.89	$29.79	$30.66	$33.43	$35.89	$37.65
Douglas County								
1, 32-gallon can	$17.44	$17.72	$18.93	$19.51	$20.07	$21.50	$22.29	$23.37
El Dorado County								
Unlimited Service	$29.98	$30.47	$32.38	$34.38	$35.39	$37.43	38.84	$40.77

In June of 2023, STR submitted its base year rate application to the JPA for rate year 2024 (hereafter referred to as the Application). We enclose a copy of this Application as **Attachment B.** The JPA requires the franchise hauler to submit a base year rate application once every three (3) years. In accordance with the Manual, rate year 2024 is a base year.

STR's Application to the JPA projected a Base Year 2024 rate increase was needed to cover a combined $2,734,573 estimated net shortfall, including franchise fees, for fiscal year 2024. STR requested an increase of 12.29 percent ($2,283,489 projected total revenue shortfall) for the City of South Lake Tahoe and Douglas County and 10.09 percent ($451,084 projected total revenue shortfall) for El Dorado County.

We relied on STR audited financial statements, internally prepared financial information, and operational data for our analysis. STR provided audited financial statements for rate year 2022. STR also provided internally prepared financial information and operational data for rate years 2023 (estimated) and 2024 (projected), and additional information and data requested by Crowe.

D. Scope of Analysis

Our scope of services included the following tasks:

1. Verify the completeness of STR's Base Year 2024 Application and Senate Bill 1383 2025/26 Special Rate Request
2. Analyze the Base Year 2024 Application and Senate Bill 1383 2025/26 Special Rate Request and prepare responses
3. Request additional data and clarification from STR
4. Identify rate adjustments, by line item, and rate adjustment tables
5. Analyze proposed adjustments with JPA and STR representatives, and clarify outstanding issues
6. Determine the revenue requirement and associated rate adjustments
7. Prepare a draft report
8. Prepare a final report
9. Participate in JPA meeting.

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For this analysis, we performed the following tasks:

- Assessed if the Application was mathematically accurately and logically consistent
- Verified that the Application complied with the terms and conditions of the Manual
- Reconciled the Application to STR's Rate Year 2022 audited financial statements
- Analyzed STR financial information, operational data, and projections for reasonableness
- Assessed supporting data, worksheets, and documentation
- Analyzed historical actual, estimated, and projected revenues and expenses
- Analyzed cost allocation methods for reasonableness
- Analyzed the assignment of revenues and expenses to each Member Agency
- Obtained and analyzed support for the assumptions used to project Rate Year 2024 and 2025 revenues and expenses
- Confirmed the use of the allowed operating ratio
- Confirmed the franchise fee calculation
- Confirmed the accuracy of STR's calculated revenue requirement and associated rate adjustment
- Prepare draft and final reports
- Participate in JPA and Member Agency preparation and meeting(s).

The JPA entered into a contract with Crowe on August 15, 2023 to provide these services. We submitted a detailed data request to STR on July 24, 2023, another data request to STR on September 14, 2023, and a final data request on October 3, 2023. This is in addition to several more informal requests through the months of September and October.

E. Base Year 2024 Rate Setting Analysis and Adjustments

In this section, we identify adjustments to the STR Base Year 2024 rate application for calendar year 2024. Total adjustments result in a projected 2024 revenue shortfall of $2,310,822 combined for the three JPA Member Agencies. The revenue shortfall includes a Base Year 2024 revenue shortfall of $1,938,394 for the City of South Lake Tahoe and Douglas County combined; and a projected Base Year 2024 revenue shortfall of $372,428 for El Dorado County. **Attachment C** includes the rate model with Crowe's rate adjustments summarized.

Adjustments are organized to generally match the organization provided in STR's rate application. The STR rate application is organized consistent with the guidance provided in the Base Year Rate Setting Process for allowable revenue and expense categories contained in the Manual, using the template located in Appendix A (Exhibit A-1) of the Manual. The remainder of this subsection is organized as follows:

- Revenues
  - Residential Collection Revenues
  - Commercial Collection Revenues
  - Forestry, Federal, and State Contracts
  - Non-Collection Revenue Allocation
  - Transfer Station and RRF Revenues
- Recycled Material Sales (MRF and Recycling Sales)

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- Operating Expenses
  - Operating Expense Allocation
  - Expense Escalation
  - Direct Labor
  - Equipment Costs and Facility Costs
  - Landfill Disposal Costs
  - Office Salaries
  - General and Administrative Costs
  - MRF Principal and Interest Costs (El Dorado County)
  - RRF Principal and Interest Payments (El Dorado County)
  - Other Interest Expenses
- Operating Profit
- Pass-Through Costs
  - MRF Principal Payments (City and Douglas)
  - RRF Principal Payments (City and Douglas)
  - MRF and RRF Interest Expenses (City and Douglas).
  - Other Interest Expenses
  - RRF Fund Credit
  - Recycling Revenue Bonus
  - Franchise Fees

Revenues

Residential Collection Revenues

STR estimated residential collection revenues to increase by $406,000, or 4.00 percent, between 2023 and 2024. This increase reflects the 2023 year-to-date trend, and an expectation that residential revenues will increase in 2024 by a rate similar to that experienced from 2022 to 2023.

Impact(s):

- No change to Residential Collection Revenues in 2024.

Commercial Collection Revenues

STR estimated commercial collection revenues to increase by $765,226 or 8.6 percent, between 2023 and 2024. STR based projections of 2024 commercial revenues for each of the member agencies on historical trends between 2022 and 2023. The resulting 2024 projected commercial revenue increases were 6, 24.0 and 11.0 percent respectively for the City of South Lake Tahoe, El Dorado County, and Douglas County.

Impact(s):

- No change to Commercial Collection Revenues in 2024.

Non-Collection Revenues Allocation

For 2024, STR allocated non-collection revenues, including: (1) transfer station and RRF revenues, (2) forestry, federal, and state contracts revenues; and (3) recycled materials sales, between (1) the City of

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South Lake Tahoe and Douglas County, and (2) El Dorado County. Non-collection revenue totaled $4,442,852.

Revenue allocation percentages were 81.0 percent and 19.0 percent, respectively, for the City of South Lake Tahoe and Douglas County combined, and El Dorado County. We verified this allocation calculation was supported and correct. This allocation method was applied to (1) transfer station and RRF revenues; and (2) forestry, federal, and state contracts revenues, and (3) recycled materials sales revenues.

Impact(s):

- No adjustment.

Transfer Station and RRF Revenues

STR estimated transfer station and RRF revenues to increase by $48,819 or 2.2 percent, between 2022 and 2023. For 2024, STR projected transfer station revenues to increase at the 2.7 percent increase. STR calculated an increase of $61,671 in 2024, totaling $2,340,793 in projected transfer station revenues.

Impact(s):

- No adjustment.

Forestry, Federal, and State Contracts

STR estimated forestry, federal, and State contract revenues to increase by approximately $123,851, or 30.0 percent, between 2022 and 2023, largely from camping facilities opening that had previously been closed. STR projected a small 4.0 percent ($19,847) change in forestry, federal, and State contract revenues for 2024 as the company does not foresee dramatic changes with operations associated with these contracts.

Impact(s):

- No adjustment.

Recycled Material Sales (Materials Recovery Facility (MRF) and Recycling Sales)

STR estimated revenues associated with the MRF sale of recyclables to decrease by approximately $119,400, or 29.2 percent, between 2022 and 2023, largely driven by lower commodity prices. This estimated decrease is based on the year-to-date 2023 trend. STR projected MRF recycled material sales revenues to remain flat for 2024 (i.e., equal to the same as 2023).

STR estimated revenues associated with the curbside recycling sales to also remain flat for 2024 (at $1,223,851) based on projected continued challenges with the recycling marketplace.

Impact(s):

- No adjustment.

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Operating Expenses

Operating Expense Allocation

For 2024, STR allocated operating expenses between (1) the City of South Lake Tahoe and Douglas County, and (2) El Dorado County, based on Rate Year 2022 residential and commercial collection revenues. Revenue allocation percentages were 81 percent and 19 percent, respectively, for the City of South Lake Tahoe and Douglas County together, and El Dorado County.[3] We verified that the allocation calculation was supportable and correct.

Impact(s):

- Used collection revenue allocation percentages for operating expense allocations.

Expense Escalation

Per the Rate Manual, the CPI we used in this analysis should be based on the most current actual information for the U.S. City Average Garbage and Trash Collection CPI (CPI). For purposes of projecting inflationary costs, as shown in **Table 4,** we used a 6.26 percent CPI equal to the most recent change in the average annual index (i.e., the average from June 2022 to May 2023 divided by the average index from June 2021 to May 2022). We rounded the CPI increase to the nearest hundredth given its material effect on the projections and for consistency with prior assessments.

Table 4
Consumer Price Index (CPI)
Used for Rate Setting Purposes

Description	Index
Average Annual Index from June 2021 to May 2022	531.971
Average Annual Index from June 2022 to May 2023	565.269
Percent Change	**6.26%**

STR escalated certain general and administrative expenses for 2024, including advertising, utilities, and licenses and fees, using this escalation rate.

Impact(s):

- Used an escalation factor of 6.26 percent for selected inflationary costs. This contrast with the company's calculated escalation factor of 6.67 percent.

[3] For comparison purposes, for the 2015 Base Year Rate analysis, STR allocated operating expenses between (1) the City of South Lake Tahoe and Douglas County, and (2) El Dorado County, based on Rate Year 2013 residential and commercial collection revenues. Revenue allocation percentages were 80.39 percent and 19.61 percent, respectively, for the City of South Lake Tahoe and Douglas County together, and El Dorado County.

Direct Labor

STR estimated wages and payroll to increase by approximately $908,343, or 9.6 percent, from 2022 to 2023. STR projected total direct labor expenses to increase by $456,730, or 4.4 percent increase from 2023 to 2024. This projected direct labor increase reflects various wage and benefit increases including:

- Actual labor increases equal to 10% which included a 4.00% COLA on 7/1/22 plus another COLA of 3.77% on 1/1/23. Pay scale adjustments accounted for the other 2.23%
- Another 4.00% COLA is anticipated for FY24
- Officer salary increases to equal 6 percent of net revenue estimations for 2023 and 2024
- Health insurance expense remaining relatively flat from 2022 to 2024
- Workers' compensation expense increase of 14.91 percent from 2023 to 2024
- Pension expense increase, based on 8.5 percent of labor costs for qualifying employees (where qualifying employees must work at least 1,000 hours).

Impact(s):

- No adjustment.

Equipment Costs and Facility Costs

STR estimated equipment costs and facility costs to increase by approximately $161,781, or 10.1 percent, between 2022 and 2023. STR projected equipment costs and facility costs to decrease by $90,527 or 5.1 percent, between 2023 and 2024. Factors contributing to changes in these costs included the following:

- STR estimated depreciation costs to remain relatively flat over the 2022 to 2024 period, at $1.3M. The current depreciation for 2024 accounts for retirement of certain assets and additions of two new Peterbilt front loader collection trucks, a used Caterpillar excavator, an end dump trailer, and a pickup truck.
- STR estimated 2023 rent costs based on the year-to-date 2023 trend and projected 2024 rent costs set equal to 2023 rent costs.
- STR estimated 2024 repairs and maintenance costs based on a three-year average of costs from 2021 to 2023.

Impact(s):

- No adjustment.

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Landfill Disposal Costs

STR estimated landfill disposal costs to increase by approximately $50,939, or 3.3 percent, between 2022 and 2023. STR projected landfill disposal costs of $1,747,013 for 2024, representing a 11 percent increase from 2023. Landfill disposal costs include Lockwood landfill and Carson City landfill dump fees; disposal costs related to e-waste, tire, asphalt, and food waste recycling; and alternative daily cover (ADC) dump fees.

Tables 5 and **6,** below, provides a summary of the dump fees for Lockwood landfill and Carson City landfill, for FY 2022 and FY 2023. Per STR's contract with Lockwood landfill, the rate per ton of MSW/C&D increases each April, based on an index. The landfill disposal costs and tonnage do not include disposal costs and tonnages for other "dump fee" services, such as for e-Waste, Freon, tires, tire recycling, and other materials processing and disposal.

Table 5
FY 2022 Actual Landfill Disposal Costs and Tonnage

	Lockwood Landfill (7/1/21 - 6/30/22)			Carson City Landfill (7/1/21 - 6/30/22)			TOTAL (7/1/21 - 6/30/22)		
	Tons	Tip Fee $	Rate per Ton	Tons	Tip Fee $	Rate per Ton	Tons	Tip Fee $	Rate per Ton
MSW	17,140.75	$ 364,143.20	$ 21.24	28,356.53	$ 680,556.72	$ 24.00	45,497.28	$ 1,044,699.92	$ 22.96
C&D	-	$ -		7,970.28	$ 191,286.72	$ 24.00	7,970.28	$ 191,286.72	$ 24.00
C&D as ADC	751.49	$ 16,946.09	$ 22.55	-	$ -	$ -	751.49	16,946.09	$ 22.55
Green Waste	-	$ -		-	$ -	$ -	-	-	$ -
ADC	-	$ -		14,871.11	$ -	$ -	14,871.11	-	$ -
Total	17,892.24	$ 381,089.29	$ 21.30	51,197.92	$ 871,843.44	$ 17.03	69,090.16	$ 1,252,932.73	$ 18.13
Tonnage EXCLUDING no-charge ADC	33%			67%	Total tons excluding no-charge ADC	54,219.05			
						100%			

[a] STR disposes of MSW and C&D (as Alternative Daily Cover, or ADC) at Lockwood Landfill and MSW and C&D at Carson City landfill.

[b] Per STR's contract with Lockwood landfill, the annual tipping fee increased by 4.71 percent to $21.55 in April 2022.

Table 6
FY 2023 Estimated Landfill Disposal Costs and Tonnage

	18%			82%			100%		
	ACTUAL			ACTUAL			ACTUAL		
Twelve Months	Lockwood Landfill (7/1/22 - 6/30/23)			Carson City Landfill (7/1/22 - 6/30/23)			TOTAL (7/1/22 - 6/30/23)		
	Tons	Tip Fee $	Rate per Ton	Tons	Tip Fee $	Rate per Ton	Tons	Tip Fee $	Rate per Ton
MSW	7,844.11	$ 170,866.13	$ 21.78	35,376.23	$ 896,029.22	$ 25.33	43,220.34	1,066,895.35	$ 24.69
C&D	-	$ -		12,285.83	$ 302,506.94	$ 24.62	12,285.83	$ 302,506.94	$ 24.62
C&D as ADC	436.12	$ 9,834.51	$ 22.55	-	$ -	$ -	436.12	9,834.51	$ 22.55
Green Waste	-	$ -		-	$ -	$ -	-	-	$ -
ADC	-	$ -		15,375.16	$ -	$ -	15,375.16	-	$ -
Total	8,280.23	$ 180,700.64	$ 21.82	63,037.22	$ 1,198,536.16	$ 19.01	71,317.45	$ 1,379,236.80	$ 19.34
Tonnage EXCLUDING no-charge ADC	15%			85%	Total tons excluding no-charge ADC	55,942.29			
						100%			

[a] STR disposes of MSW and C&D (as Alternative Daily Cover, or ADC) at Lockwood Landfill and MSW and C&D at Carson City landfill.

[b] Per STR's contract with Lockwood landfill, the annual tipping fee increased by 5.15 percent to $22.66 in April 2023.

[c] Per STR's contract with Carson City landfill, the annual tipping fee increased by 4.75 percent to $25.14 in December 2022.

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In projecting landfill dump fees, STR accounted for changes in both tonnage and tipping fees. STR provided documentation from landfills to support the tipping fees they used in their projections. STR continues to make the operational change to employ a greater use of Carson City Landfill, and is currently managing the flow of materials to both Lockwood and Carson City Landfills depending on the material type, fee, trucking staff availability, time of year, and the ultimate disposition (e.g., disposal versus diversion).

Other disposal items (which represent primary drivers for the Landfill Disposal Cost increase) include:

- STR had paid Tahoe Asphalt (not a related party) a processing fee of $3.50 per ton to recycle asphalt and concrete. Tahoe Asphalt raised their fee by $4.50 per ton to $8.00 per ton beginning December 2022. This accounted for $107,762 of the 2023 to 2024 Disposal Cost increase.
- STR has made efforts to employ the two landfills to optimize its disposal/ADC mix. These year-over-year disposal cost increases are supported by increases in Landfill disposal volumes as well as increases in tipping fee rates charged by third-parties (e.g., for composting and asphalt recycling).

Impact(s):

- No adjustment.

Office Salaries

STR estimated office salaries to increase by $287,636, or 22.3 percent, between 2022 and 2023. STR projected office salary expenses of $1.511,051 for 2024, representing a 5.2 percent decrease for 2024. This projected increase from 2022 to 2024 accounts for projected wage and benefit changes as follows:

- Wage increases for office staff of between $4 and $6 per hour
- Two additional headcount, including one HR manager and one office staff person
- Workers' compensation expense increase of 14.91 percent from 2023 to 2024
- Pension expense increase, based on 8.5 percent of labor costs for qualifying employees (where qualifying employees must work at least 1,000 hours).

Impact(s):

- We reduced office salaries by the fully burdened cost of $129,125.47 to account for one AP/GL accountant position that will be transitioned into the company but will replace activities currently performed by an officer (eliminating potential double counting of the benefit provided by the officer who is effectively paid to perform this function).
- Minor adjustment ($62.80) to account for difference in CPI used to escalate some costs in this category (6.26 percent vs. 6.67 percent)

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General and Administrative Costs

Cost of Goods Sold

STR estimated cost of goods sold to remain flat from 2023 to 2024 to align with stable expected recycling revenue.

Advertising, Postage, Utilities, Licenses and Fees

STR escalated advertising, postage, utilities, and licenses and fees using year-to-date 2023 trends. STR projected 2024 costs based on applying the CPI percent increase to estimated 2024 costs.

Contract Labor

STR estimated contract labor to increase by 8.6 percent, between 2024 and 2024, based on alignment with the growth in commercial revenues. This contract labor is largely paid to Tahoe Basin Containers, a related party to service compactors in the STR service area. We adjusted the projection of contract revenue for 2024 based on annualizing the three-year amount for 2021 through 2023 and adding the CPI. This adjustment reduced contract labor expenses by approximately $209,086 in 2024.

General Insurance

STR estimated general insurance expenses to increase by $124,786, or 26.0 percent, between 2023 and 2024. Total general insurance for 2024 equals $604,734. STR provided general insurance documentation pertaining to the increased costs (premiums). In total, general insurance premiums are quoted to increase by 26 percent for STR and related parties. We did not make adjustments to STR's projection of 2024 general insurance costs.

Fuel

STR estimated a fuel increase of $49,719, based on applying the CPI escalation, between 2023 and 2024. This increased fuel costs to $844,036. We verified fuel costs by evaluating detailed fuel documentation for usage and prices paid.

Hazardous Materials

STR projected hazardous materials costs to increase by the 10 percent. We adjusted this to the CPI (6.26%) as described expense escalation subsection, above. This reduced the 2024 cost by $6,006.

Impact(s):

- Decrease in general and administrative costs by $221,684 in 2024.

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MRF Principal and Interest Payments (El Dorado County)

STR projected El Dorado County's portion of MRF principal and interest payments of $7,503 for 2024. The MRF debt financing is through a Bank of America term loan of $2 million. STR estimated that approximately 38.3 percent of the term loan is related to the MRF. STR allocated 38.3 percent of financing costs, to MRF principal and interest payments. STR then determined El Dorado County's portion of MRF principal and interest payments, based on the 2023 collection revenue allocation percentage (19 percent). We found this approach to determining the MRF principal and interest cost for El Dorado County reasonable.

Impact(s):

- No adjustment.

RRF Principal and Interest Payments (El Dorado County)

STR projected El Dorado County's portion of 2024 RRF principal and interest payments to equal $168,048. The RRF debt financing is through a California Pollution Control Financing Authority (CPCFA) 2008 Bond of $16.615 million. STR determined El Dorado County's portion of RRF principal and interest payments, based on the 2023 total collection revenue allocation percentage (19 percent). We found this approach to determining the RRF principal and interest cost for El Dorado County reasonable.

Impact(s):

- No adjustment.

Other Interest Expenses

Other interest expenses include interest on debt used to finance STR operations, excluding the MRF/RRF building financing. STR projected other interest expenses of $142,293 for 2024. STR then determined El Dorado County's portion of other interest expenses, based on the 2024 total collection revenue allocation percentage (19 percent). STR included other interest expenses of $27,041 for El Dorado County's portion, under allowable operating costs.

Impact(s):

- No adjustment.

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Operating Profit

In accordance with the Manual, for the City of South Lake Tahoe and Douglas County, a profit is allowed based on a sliding scale which varies with STR's recovery percentage; and for El Dorado County, a profit is allowed, based on a targeted operating ratio ranging between 87 and 91 percent. In a base year, if rates change, STR applies an 89 percent operating ratio for base year calculation.

In the Application, STR used an 87 percent operating ratio for the City of South Lake Tahoe and Douglas County, and an 89 percent operating ratio for El Dorado County. STR provided Waste Facility Diversion Summary Reports, which included monthly tons diverted through six (6) operations: (1) MRF floor sort, (2) MRF line sort, (3) RRF, (4) alternate daily cover (ADC), (5) recycle center, and (6) direct export. Based on its diversion reports, STR's recovery rate was 65 percent for 2023 and 2024.

We calculated operating profit, based on our adjustments to the estimated 2023 and projected 2024 allowable operating costs. We decreased operating profits by $50,720 in 2024.

Impact(s):

- Decrease in Operating Profits by $50,720 in 2024.

Pass-Through Costs

MRF Principal Payments (City and Douglas)

STR projected the City of South Lake Tahoe and Douglas County's portion of MRF principal payments of $21,064 for 2024. The MRF debt financing was through a Bank of America term loan of $2 million (which was subsequently refinanced to a Bank of America loan in FY15). STR estimated that approximately 38.3 percent of the term loan is related to the MRF. For the Bank of America term loan, STR projected principal payments based on loan balances. STR allocated 38.3 percent of financing costs, to MRF principal payments. STR then determined the City of South Lake Tahoe and Douglas County's portion of MRF principal payments, based on the 2023 collection revenue allocation percentage (81 percent).

Impact(s):

- No adjustment.

RRF Principal Payments (City and Douglas)

STR projected the City of South Lake Tahoe and Douglas County's portion of RRF principal payments of $590,403 in 2024. The RRF debt financing is through a CPCFA 2008 Bond of $16.615 million. For the bond financing, STR projected principal payments based on bond balances. STR allocated 100 percent of financing costs, to RRF principal payments. STR then determined the City of South Lake Tahoe and Douglas County's portion of RRF principal payments, based on the 2023 total collection revenue allocation percentage (81 percent).

Impact(s):

- No adjustment.

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MRF and RRF Interest Expenses (City and Douglas)

STR projected the City of South Lake Tahoe and Douglas County's portion of MRF and RRF interest payments of $136,743 for 2024. The MRF debt financing was through a Union Bank term loan of $2 million (which was subsequently refinanced to a Bank of America loan in FY15). STR estimated that approximately 38.3 percent of the term loan is related to the MRF. The RRF debt financing is through a CPCFA 2008 Bond of $16.615 million.

For the MRF and RRF debt financing, STR projected principal payments based on debt balances, and interest payment based on general ledgers. STR then determined the City of South Lake Tahoe and Douglas County's portion of MRF and RRF interest payments, based on the 2023 collection revenue allocation percentage (81 percent).

Impact(s):

- No adjustment.

Other Interest Expenses

Other interest expenses are interest on debt used to finance STR operations, excluding the MRF/RRF building financing. Recently financed assets include new trucks. STR projected other interest expenses of $115,252 for 2024. STR then determined the City of South Lake Tahoe and Douglas County's portion of other interest expenses, based on the 2023 total collection revenue allocation percentage (81 percent). STR included other interest expenses of $115,252, for the City of South Lake Tahoe and Douglas County's portion, under pass-through costs.

Impact(s):

- No adjustment.

Recycling Revenue Bonus

In accordance with the Manual, STR is allowed a recycling revenue bonus, which is tied to STR's diversion levels. For 2024, STR is allowed a 50 percent recycling revenue share, by exceeding the minimum diversion rate of 47 percent. STR projected a recycling revenue bonus of $499,686 for 2024. This calculation is based on: (total recycling revenues less cost of goods sold) x 0.50, or ($1,512,720-$513,348) x 0.50, or $499,686. This $499,686 share amount is included as a pass through cost in the rate model.

Impact(s):

- No change in Recycling Revenue Bonus.

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Franchise Fees

STR calculated and allocated projected franchise fees, based on 2023 projected collection revenues and transfer fees, multiplied by franchise fee rates. The Manual allocates franchise fees based on gross residential, commercial, and recycling revenues. The City of South Lake Tahoe receives six (6) percent of gross revenues, El Dorado County receive five (5) percent of gross revenues and Douglas County receives three (3) percent of gross revenues. Below, we list the revenue sources used for Member Agency franchise fee calculations:

- City of South Lake Tahoe, increased from 5 to 6 percent of the following:
  - City residential collection revenues
  - City commercial collection revenues
  - Transfer station and RRF revenues
- El Dorado County, 5 percent of the following:
  - County residential collection revenues
  - County commercial collection revenues
- Douglas County, 3 percent of the following:
  - County residential collection revenues
  - County commercial collection revenues.

Recycling material sales revenues, which includes MRF and recycling sales revenues, are not included in franchise fee calculations. STR projected franchise fees of $1,201,220 for 2024, including franchise fees of $983,246 for the City of South Lake Tahoe and Douglas County, and franchise fees of $217,974 for El Dorado County.

We projected franchise fees of $1,179,150 for 2024, including franchise fees of $964,892 for the City of South Lake Tahoe and Douglas County, and franchise fees of $214,258 for El Dorado County. The adjustments to the franchise fee number is the result of modifying the figures based on lower revenue requirement from the other adjustments noted in previous sections of the report.

Impact(s):

- Decrease in franchise fee costs by $22,070 in 2024.

F. Results of Base Year 2024 Analysis

Crowe's Analysis of the Application, and as shown in Attachment C, results in a 11.05 percent rate increase for the City of South Lake Tahoe, a 8.15 percent rate increase for Douglas County; and a 8.33 percent rate increase for El Dorado County, assuming an implementation date of January 1, 2024. These rate increases will cover the following revenue shortfalls:

- $1,615,910 revenue shortfall for the City of South Lake Tahoe, 11.05 percent rate increase for 2024 (difference from Douglas County is due to franchise fee differences (6% of gross revenues for SLT and 3% of gross revenues for Douglas County))
- $322,484 revenue shortfall for Douglas County, or a 8.15 percent rate increase for 2024
- $372,428 revenue shortfall for El Dorado County, or a 8.33 percent rate increase for 2024.

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G. Senate Bill 1383 2025/26 Rate Setting Analysis and Adjustments

The company submitted a request for significant program changes intended to comply with California Senate Bill 1383 (SB 1383) requirements. This bill requires a reduction in organic waste disposal of 75 percent by 2025 and necessitates that all jurisdictions need to provide organic waste collection services to all residents and businesses.

STR has proposed the following primary operational changes in conjunction with this SB 1383 rate request, some of which are also intended to improve STR collection efficiencies, upgrade equipment, and move to a new three-cart system (e.g., including animal resistant carts):

- Increase in MSW routing (8 new semi-automated routes)
- Increase in single stream routes (7 new automated routes); service every other week
- Increase in green waste routes (7 new automated routes); service every other week
- Purchase/deploy 12,501 new animal resistant toters for MSW
- Purchase/deploy 21,225 new toters for single stream recycling
- Purchase/deploy 31,091 new toters from green waste recycling
- Purchase/finance 9 new trucks, including 4 new rear-loader trucks and 4 mini-side-loader trucks
- Additional labor to serve new routes
- Additional fuel, insurance, maintenance of new trucks
- Additional collection department manager and customer service representative
- Changes to materials mix (increasing greenwaste, decreasing MSW), resulting in changes in materials management costs.

In **Table 7** below, we summarize the requested incremental costs associated with this SB 1383 program change. In total, we project adjusted incremental new costs of the SB 1383 program of $2,342,503. Our understanding is that the member agencies and STR have discussed spreading these costs using a phased implementation, with half of the costs included in rates to be set beginning January 1, 2025 and the other half of the costs for rates to be set January 1, 2026.

Table 7
Senate Bill 1383 Program Costs
Effective January 1, 2025

Description of Program Change	Requested Incremental Costs	Crowe Adjusted Incremental Costs
New carts – annual depreciation ($6.7M purchase)	$900,444	$873,058
8 new trucks ($3.34M purchase)	$333,942	$333,942
New driver costs	$236,091	$236,091
New fuel costs	$47,980	$43,339
Other new labor, consulting, and marketing	$428,811	$378,811
Change in materials mix (increased greenwaste, decreased MSW)	$55,468	$44,546
Other costs, profit	$467,301	$432,716
Total SB 1383 program costs	$2,470,037	$2,342,503
Crowe Adjustments		($127,534)

H. Results of Senate Bill 1383 2025/26 Analysis

Crowe's Analysis of the SB 1383 request, as shown in Attachment D, results in an additional 10.16 percent rate increase, combined for the three jurisdictions. This compares to the 10.72 percent rate increase requested by STR. We view this as a maximum rate increase to the member agencies and recommend that the JPA work with STR on how to implement this rate change in advance of 2025. We recommend that the JPA and STR review updated and more refined estimated costs of this SB 1383 program as part of the next interim year rate change process. Under a two-year phased scenario, the 10.16 percent rate increase represents a 5.08 percent rate increase beginning January 1, 2025 and another 5.08 percent rate increase beginning January 1, 2026. These 2025 and 2026 rate increases do not consider the impacts of the interim year process specified in the Rate Manual.

* * * * *

This Analysis is substantially different from an audit, examination, or review in accordance with Generally Accepted Auditing Standards, the objective of which is to express an opinion regarding STR financial statements. Accordingly, we do not express such an opinion.

The consulting services did not contemplate obtaining the understanding of STR internal controls or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an audit or examination. Thus, this engagement was not intended to provide assurance that we would become aware of significant matters that would be disclosed in an audit or examination.

As part of this Analysis, the JPA agreed to be responsible to: make all management decisions and perform all management functions; designate an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management to oversee our services; evaluate the adequacy and results of the services performed; accept responsibility for the results of the services; and establish and maintain internal controls, including monitoring ongoing activities. The JPA has authority for recommending rate changes to each JPA jurisdiction, and each JPA jurisdiction has the ultimate authority to approve rate changes.

Crowe's fees are not dependent upon the outcome of this report and Crowe is independent with respect to any other economic interests.

* * * * *

We appreciate the contribution of JPA management and your input and direction on this project. We also thank STR management for its timely responses to our data requests. If you have any questions regarding this report, please call Erik Nylund at (415) 230-4963, or email erik.nylund@crowe.com.

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Attachment A: Proposed Residential Rate Structure

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Attachment A
Proposed Residential Rate Structure
(January 1, 2024)

Base Year Rate Application

Summary

Rate Change

1.	Percent Rate Change Requested (City of South Lake Tahoe)	**11.05%**	excluding SB 1383
	Percent Rate Change Requested (Douglas County)	**8.15%**	excluding SB 1383
	Percent Rate Change Requested (El Dorado County)	**8.33%**	excluding SB 1383

Residential Rate Schedule

	Rate Schedule (per customer, per month)		Current Rate	Rate Adjustment	New Rate
2.	City of South Lake Tahoe				
2.1.	Unlimited service	Note 1	$ 37.15	$ 4.11	**$ 41.26**
2.2.	Mandated pickup per 32-gallon can/bag		7.78	0.86	**8.64**
2.3.	Mandated pickup per cubic yard		52.05	5.75	**57.80**
2.4.	Qualified senior rate	Note 1	22.90	2.53	**25.43**
2.5.	House service - 1 can	Note 1	42.44	4.69	**47.13**
2.6.	House service - 2 cans	Note 1	47.76	5.28	**53.04**
2.7.	House service - 3 cans	Note 1	53.04	5.86	**58.90**
2.8.	Residential - All other services		-	-	**-**
3.	Douglas County				
3.1.	1, 32-gallon can		$ 23.37	$ 1.90	**$ 25.27**
3.2.	2, 32-gallon cans		44.98	3.67	**48.65**
3.3.	3, 32-gallon cans		68.59	5.59	**74.18**
3.4.	4, 32-gallon cans		90.22	7.35	**97.57**
3.5.	One extra 32-gallon can (also the seasonal service rate)		5.86	0.48	**6.34**
3.6.	On-call 32-gallon can billed monthly/arrears		n/a	n/a	**-**
3.7.	Per cubic yard		37.74	3.08	**40.82**
3.8.	1, 45-gallon can		28.33	2.31	**30.64**
3.9.	2, 45-gallon cans		54.47	4.44	**58.91**
3.10.	3, 45-gallon cans		83.01	6.77	**89.78**
3.11.	One extra 45-gallon can (also the seasonal service rate)		7.14	0.58	**7.72**
3.12.	On-call 45-gallon can billed monthly/arrears		n/a	n/a	**-**
3.13.	Residential - All other services		128.32	10.46	**138.78**
4.	El Dorado County				
4.1.	Unlimited service		$ 40.77	$ 3.40	**$ 44.17**
4.2.	Mandated pickup per 32-gallon can/bag		8.54	0.71	**9.25**
4.3.	Mandated pickup per cubic yard		48.88	4.07	**52.95**
4.4.	Qualified senior rate		26.58	2.21	**28.79**
4.5.	House service per can		5.16	0.43	**5.59**
4.6.	Residential - All other services (Area B - formerly ARD)		22.42	1.87	**24.29**

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Attachment B: 2024 Base Year Rate Application

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Base Year Rate Application

Summary

Rate Change

1.	Percent Rate Change Requested (City of South Lake Tahoe and Douglas County)	12.29%	excluding SB 1383
	Percent Rate Change Requested (El Dorado County)	10.09%	excluding SB 1383

Residential Rate Schedule

	Rate Schedule (per customer, per month)		Current Rate	Rate Adjustment	New Rate
2.	City of South Lake Tahoe				
2.1.	Unlimited service	Note 1	$ 37.15	$ 4.57	$ 41.72
2.2.	Mandated pickup per 32-gallon can/bag		7.78	0.96	8.74
2.3.	Mandated pickup per cubic yard		52.05	6.40	58.45
2.4.	Qualified senior rate	Note 1	22.90	2.81	25.71
2.5.	House service - 1 can	Note 1	42.44	5.22	47.66
2.6.	House service - 2 cans	Note 1	47.76	5.87	53.63
2.7.	House service - 3 cans	Note 1	53.04	6.52	59.56
2.8.	Residential - All other services		-	-	-
3.	Douglas County				
3.1.	1, 32-gallon can		$ 23.37	$ 2.87	$ 26.24
3.2.	2, 32-gallon cans		44.98	5.53	50.51
3.3.	3, 32-gallon cans		68.59	8.43	77.02
3.4.	4, 32-gallon cans		90.22	11.09	101.31
3.5.	One extra 32-gallon can (also the seasonal service rate)		5.86	0.72	6.58
3.6.	On-call 32-gallon can billed monthly/arrears		n/a	n/a	-
3.7.	Per cubic yard		37.74	4.64	42.38
3.8.	1, 45-gallon can		28.33	3.48	31.81
3.9.	2, 45-gallon cans		54.47	6.69	61.16
3.10.	3, 45-gallon cans		83.01	10.20	93.21
3.11.	One extra 45-gallon can (also the seasonal service rate)		7.14	0.88	8.02
3.12.	On-call 45-gallon can billed monthly/arrears		n/a	n/a	-
3.13.	Residential - All other services		128.32	15.77	144.09
4.	El Dorado County				
4.1.	Unlimited service		$ 40.77	$ 4.11	$ 44.88
4.2.	Mandated pickup per 32-gallon can/bag		8.54	0.86	9.40
4.3.	Mandated pickup per cubic yard		48.88	4.93	53.81
4.4.	Qualified senior rate		26.58	2.68	29.26
4.5.	House service per can		5.16	0.52	5.68
4.6.	Residential - All other services (Area B - formerly ARD)		22.42	2.26	24.68

Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the South Lake Tahoe Basin Waste Management Authority.

Name: Jeffery R. Tillman

Title: President

Signature:

Date: May 31, 2023

Note 1: Rate does not include City surcharges: street sweeping ($0.25) and nuisance abatebatment ($0.25)

Base Year and SB 1383 Rate Application

Financial Information for All Three Jurisdictions

		Actual Audited Prior Year All Three Jurisdictions 6/30/2022	Forecast Current Year All Three Jurisdictions 6/30/2023	Forecast Base Year City of SLT and Douglas County 6/30/2024	Forecast Base Year El Dorado County 6/30/2024	Forecast Base Yr + SB 1383 All Three Jurisdictions 6/30/2024
	Section I--Allowable Operating Costs					
5.	Direct Labor	$ 9,436,038	$ 10,344,408	$ 8,748,545	$ 2,052,654	$ 11,037,291
6.	Equipment Costs and Facility Costs	1,601,621	1,763,402	1,354,963	317,912	2,934,650
7.	Landfill Disposal Costs	1,526,102	1,577,041	1,415,012	332,001	1,802,481
8.	Office Salaries	1,269,939	1,577,583	1,328,529	311,710	1,890,050
9.	General and Administrative Costs	4,939,609	5,316,386	4,494,977	1,054,648	5,784,781
10.	MRF Principal and Interest Payments (El Dorado County)	5,291	8,113	0	7,503	7,503
11.	RRF Principal and Interest Payments (El Dorado County)	151,907	169,505	0	168,048	51,405
	Other Interest Expenses (El Dorado County)	16,801	18,811	0	27,041	146,794
12.	**Total Allowable Operating Costs**	$ 18,967,307	$ 20,775,249	$17,342,026	$ 4,271,517	$ 23,654,955
	Section II--Allowable Operating Profit					
13.	Operating Ratio	87.00%	87.00%	87.00%	89.00%	87.00%
14.	Allowable Operating Profit	$ 2,834,195	$ 3,104,348	$2,591,337	$527,940	$3,534,648
	Section III--Pass Through Costs without Franchise Fees					
15.	MRF Principal Payments (City and Douglas)	$21,064	$21,064	$21,064	$0	$21,064
16.	RRF Principal Payments (City and Douglas)	590,403	590,403	590,403	0	96,269
17.	MRF and RRF Interest Expenses (City and Douglas)	58,519	145,554	136,743	0	133,715
	Other Interest Expenses (City & Douglas)	71,605	80,173	115,252	0	625,647
18.	RRF Fund Credit	0	0	0	0	0
19.	Recycling Revenue Bonus	535,050	499,686	404,726	94,960	499,686
20.	**Total Pass Through Costs**	$1,276,641	$1,336,880	$1,268,188	$94,960	$1,376,402
	Section IV--Revenue Requirement without Franchise Fees					
21.	Total Allowable Operating Costs (Line 12) plus Allowable Operating Profit (Line 14) plus Total Pass Through Costs (Line 20)	$ 23,078,144	$ 25,216,477	$21,201,551	$4,894,418	$28,566,005
	Section V--Revenues without Rate Change in Base Year					

Residential Revenues	Current Rate/Month	Months	Projected Accounts			Total
City of South Lake Tahoe						
22. Unlimited service	$ 37.15	12	14,383		$ 6,411,941	$ 6,411,941
23. Mandated pickup per 32-gallon can/bag	7.78	12	-		-	-
24. Mandated pickup per cubic yard	52.05	12	-		-	-
25. Qualified senior rate	22.90	12	141		38,747	38,747
26. House service - 1 can	42.44	12	4		2,037	2,037
27. House service - 2 cans	47.76	12	1		573	573
28. House service - 3 cans	53.04	12	-		-	-
29. Residential - All other services	-	12	-		-	-
Douglas County						
30. 1, 32-gallon can	$ 23.37	12	1,440		$ 403,834	$ 403,834
31. 2, 32-gallon cans	44.98	12	337		181,899	181,899
32. 3, 32-gallon cans	68.59	12	42		34,569	34,569
33. 4, 32-gallon cans	90.22	12	4		4,331	4,331
34. One extra 32-gallon can (also the seasonal service rate)	5.86	12	0		-	-
35. On-call 32-gallon can billed monthly/arrears	n/a	12	0	# pickups	-	-
36. Per cubic yard	37.74	12	0		-	-
37. 1, 45-gallon can	28.33	12	319		108,447	108,447
38. 2, 45-gallon cans	54.47	12	47		30,721	30,721
39. 3, 45-gallon cans	83.01	12	6		5,977	5,977
40. One extra 45-gallon can (also the seasonal service rate)	7.14	12	0		-	-
41. On-call 45-gallon can billed monthly/arrears	n/a	12	0	# pickups	-	-
42. Residential - All other services	128.32	12	3		4,620	4,620
El Dorado County						
43. Unlimited service	$ 40.77	12	6,464		$ 3,162,447	$ 3,162,447
44. Mandated pickup per 32-gallon can/bag	8.54	12	0		-	-
45. Mandated pickup per cubic yard	48.88	12	0		-	-
46. Qualified senior rate	26.58	12	108		34,448	34,448
47. House service per can	5.16	12	1		62	62
48. Residential - All other services (Area B - formerly ARD)	22.42	12	161		43,315	43,315
49. Residential Revenues Subtotal					$ 7,227,696 $ 3,240,272	$ 10,467,968
50. Less: Allowance for Uncollectible Residential Accounts					- -	-
51. Total Residential Revenues (without Rate Change in Base Year)			$ 9,620,946	$ 10,061,968	$ 7,227,696 $ 3,240,272	$ 10,467,968
52. Commercial Revenues					$ 8,977,425 $ 674,372	$ 9,651,796
53. Less: Allowance for Uncollectible Commercial Accounts					- -	-
54. Total Commercial Revenues (without Rate Change in Base Year)			$ 8,197,519	$ 8,886,570	$ 8,977,425 $ 674,372	$ 9,651,796
55. Transfer Station and RRF Revenues (AND FORESTRY, FED, STATE CONTRACTS)			2,682,248	2,848,612	2,373,290 556,840	2,930,131
56. Recycled Material Sales			1,582,293	1,512,721	1,322,897 189,824	1,512,721
57. **Total Revenues** (Lines 51 + 54 + 55 + 56)			$ 22,083,006	$ 23,309,871	$ 19,901,307 $ 4,661,308	$ 24,562,616
	Section VI--Net Shortfall (Surplus)					
58. Net Shortfall (Surplus) without Franchise Fees (Line 21 - Line 57)			$ 995,138	$ 1,906,606	$ 1,300,243 $ 233,109	$ 4,003,390
59. Residential and Commercial Franchise Fees			$ 946,068	$ 998,629	$ 983,246 $ 217,974	$ 1,201,220
60. Net Shortfall (Surplus) with Franchise Fees (Lines 58 +59)			$ 1,941,206	$ 2,905,235	$ 2,283,489 $ 451,084	$ 5,204,609
	Section VII--Percent Change in Rates					
61. Total Residential, Commercial, Transfer Station, and RRF Revenues Prior to Rate Change (Line 51 +54 + 55)				$ 21,797,150	$ 18,578,411 $ 4,471,484	$ 23,049,895
62. Percent Change in Existing Residential/Commercial/Transfer Station/RRF Rates (Line 60 ÷ Line 61)				13.33%	12.29% 10.09%	22.58%
PROJECTED SB 1383 Incremental Rate Increase						*10.72%*

Base Year Rate Application

Operating Information

		Prior Year Audited Information All Three Jurisdictions	Current Year Estimated Information All Three Jurisdictions	Percent Change	Base Year Projected Information City of SLT and Douglas County	Base Year Projected Information El Dorado County	Percent Change
	Section VIII--Operating Data						
		(1)					
63.	Residential Accounts	19,597	19,726	0.66%	13,149	6,708	0.66%
64.	Multi-family Accounts	3,593	3,599	0.17%	3,579	26	0.17%
65.	Commercial Accounts	1,030	1,068	3.69%	966	140	3.56%
66.	Total Accounts	24,220	24,393	0.71%	17,694	6,874	0.72%
67.	Residential Refuse Tons	23,303	25,263	8.41%	17,000	5,703	-10.13%
68.	Residential Recycling Tons	32,092	38,247	19.18%	25,738	8,634	-10.13%
69.	Residential Yard Waste Tons	7,010	4,989	-28.83%	4,208	981	4.01%
70.	Commercial Refuse Tons	26,454	26,495	0.15%	24,976	4,079	9.66%
71.	Commercial Recycling Tons	36,432	40,112	10.10%	37,812	6,176	9.66%
	Commercial Yard Waste Tons	7,958	5,232	-34.25%	5,129	838	14.05%
72.	"Free" Drop Boxes Provided *(Monthly)*	16	17	6.25%	17	1	5.88%
73.	"Free" Bins Provided	26	27	3.85%	27	1	3.70%
	Section IX--Change in Commercial Rates						
74.	2 Yard Bin--Once per Week			%			%
75.	3 Yard Bin--Once per Week			%			%
76.	4 Yard Bin--Once per Week			%			%
77.	5 Yard Bin--Once per Week			%			%
78.	6 Yard Bin--Once per Week			%			%
	City - per cubic yard	40.49	42.50	4.96%	48.03	0.00	13.02%
	Douglas - per cubic yard	32.71	34.30	4.86%	38.77	0.00	13.02%
	El Dorado - per cubic yard	46.57	48.88	4.96%	0.00	54.42	11.34%
	City - compacted per cubic yard	56.82	59.64	4.96%	67.41	0.00	13.02%
	Douglas - compacted per cubic yard	42.28	44.33	4.85%	50.10	0.00	13.02%
	El Dorado - compacted per cubic yard	62.36	65.45	4.96%	0.00	72.87	11.34%
	City - per 32 gal can/bag	5.57	5.85	5.03%	6.61	0.00	13.02%
	Douglas - per 32 gal can/bag	5.13	5.38	4.87%	6.08	0.00	13.02%
	El Dorado - per 32 gal can/bag	8.14	8.54	4.91%	0.00	9.51	11.34%

(1) Amounts are based on management's estimate.

Fiscal Year: ***2024*** ***Page 3 of 3***

Attachment C: Crowe Base Year 2024 Rate Model with Adjustments

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Base Year Rate Application

Financial Information for All Three Jurisdictions

		City of SLT and Douglas County			Forecast (without SB 1383) Base Year El Dorado County			All Three Jurisdictions		
		Requested 6/30/2024	Crowe Adjustments 6/30/2024	Projected 6/30/2024	Requested 6/30/2024	Crowe Adjustments 6/30/2024	Projected 6/30/2024	Requested 6/30/2024	Crowe Adjustments 6/30/2024	Projected 6/30/2024
	Section I--Allowable Operating Costs									
5.	Direct Labor	$ 8,748,545	$ (72)	$ 8,748,474	$ 2,052,654	$ (17)	$ 2,052,637	$ 10,801,199	$ (88)	$ 10,801,111
6.	Equipment Costs and Facility Costs	1,354,963	-	1,354,963	317,912	-	317,912	1,672,875	-	1,672,875
7.	Landfill Disposal Costs	1,415,012	-	1,415,012	332,001	-	332,001	1,747,013	-	1,747,013
8.	Office Salaries	1,328,529	(104,637)	1,223,892	311,710	(24,551)	287,159	1,640,239	(129,188)	1,511,051
9.	General and Administrative Costs	4,494,977	(179,555)	4,315,422	1,054,648	(42,129)	1,012,519	5,549,625	(221,684)	5,327,940
10.	MRF Principal and Interest Payments (El Dorado County)	-	-	-	7,503	-	7,503	7,503	-	7,503
11.	RRF Principal and Interest Payments (El Dorado County)	-	-	-	168,048	-	168,048	168,048	-	168,048
	Other Interest Expenses (El Dorado County)	-	-	-	27,041	-	27,041	27,041	-	27,041
12.	**Total Allowable Operating Costs**	$17,342,026	$ (284,264)	$ 17,057,761	$ 4,271,517	$ (66,696)	$ 4,204,821	$ 21,613,543	$ (350,961)	$ 21,262,582
	Section II--Allowable Operating Profit									
13.	Operating Ratio	87.00%	87.00%		89.00%	89.00%				
14.	Allowable Operating Profit	$2,591,337	$ (42,476.30)	$2,548,861	$527,940	$ (8,243)	$519,697	$3,119,278	$ (50,720)	$3,068,558
	Section III--Pass Through Costs without Franchise Fees									
15.	MRF Principal Payments (City and Douglas)	21,064	-	$21,064	$0	-	$0	$21,064	-	$21,064
16.	RRF Principal Payments (City and Douglas)	590,403	-	590,403	0	-	0	590,403	-	590,403
17.	MRF and RRF Interest Expenses (City and Douglas)	136,743	-	136,743	0	-	0	136,743	-	136,743
	Other Interest Expenses (City & Douglas)	115,252	-	115,252	0	-	0	115,252	-	115,252
18.	RRF Fund Credit	0	-	0	0	-	0	0	-	0
19.	Recycling Revenue Bonus	404,726	-	404,726	94,960	-	94,960	499,686	-	499,686
20.	**Total Pass Through Costs**	$1,268,188	$0	$1,268,188	$94,960	$0	$94,960	$1,363,148	$0	$1,363,148
	Section IV--Revenue Requirement without Franchise Fees									
21.	Total Allowable Operating Costs (Line 12) plus Allowable Operating Profit (Line 14) plus Total Pass Through Costs (Line 20)	$21,201,551	$ (326,741)	$20,874,810	$4,894,418	$ (74,940)	$4,819,478	$26,095,969	$ (401,681)	$25,694,288
	Section V--Revenues without Rate Change in Base Year									
	Residential Revenues	Current Rate/Month	Months	Total						
	City of South Lake Tahoe									
22.	Unlimited service	$ 37.15	12	$ 6,411,941						
25.	Qualified senior rate	22.90	12	38,747						
26.	House service - 1 can	42.44	12	2,037						
27.	House service - 2 cans	47.76	12	573						
28.	House service - 3 cans	53.04	12	-						
	Douglas County									
30.	1, 32-gallon can	$ 23.37	12	$ 403,834						
31.	2, 32-gallon cans	44.98	12	181,899						
32.	3, 32-gallon cans	68.59	12	34,569						
33.	4, 32-gallon cans	90.22	12	4,331						
37.	1, 45-gallon can	28.33	12	108,447						
38.	2, 45-gallon cans	54.47	12	30,721						
39.	3, 45-gallon cans	83.01	12	5,977						
42.	Residential - All other services	128.32	12	4,620						
	El Dorado County									
43.	Unlimited service	$ 40.77	12		-	$ -	$ 3,162,447	-	$ 3,162,447	$ 3,162,447	-	$ 3,162,447
44.	Mandated pickup per 32-gallon can/bag	8.54	12		-	-	-	-	-	-	-	-
45.	Mandated pickup per cubic yard	48.88	12		-	-	-	-	-	-	-	-
46.	Qualified senior rate	26.58	12		-	-	34,448	-	34,448	34,448	-	34,448
47.	House service per can	5.16	12		-	-	62	-	62	62	-	62
48.	Residential - All other services (Area B - formerly ARD)	22.42	12		-	-	43,315	-	43,315	43,315	-	43,315
49.	Residential Revenues Subtotal			$ 7,227,696	-	$ 7,227,696	$ 3,240,272	-	$ 3,240,272	$ 10,467,968	-	$ 10,467,968
50.	Less: Allowance for Uncollectible Residential Accounts			-	-	-	-	-	-	-	-	-
51.	Total Residential Revenues (without Rate Change in Base Year)			$ 7,227,696	-	$ 7,227,696	$ 3,240,272	-	$ 3,240,272	$ 10,467,968	-	$ 10,467,968
52.	Commercial Revenues			$ 8,977,425	-	$ 8,977,425	$ 674,372	-	$ 674,372	$ 9,651,796	-	$ 9,651,796
53.	Less: Allowance for Uncollectible Commercial Accounts			-	-	-	-	-	-	-	-	-
54.	Total Commercial Revenues (without Rate Change in Base Year)			$ 8,977,425	-	$ 8,977,425	$ 674,372	-	$ 674,372	$ 9,651,796	-	$ 9,651,796
55.	Transfer Station and RRF Revenues (AND FORESTRY, FED, STATE			2,373,290	-	2,373,290	556,840	-	556,840	2,930,131	-	2,930,131
56.	Recycled Material Sales			1,322,897	-	1,322,897	189,824	-	189,824	1,512,721	-	1,512,721
57.	**Total Revenues** (Lines 51 + 54 + 55 + 56)			$19,901,307	-	$ 19,901,307	$ 4,661,308	-	$ 4,661,308	$ 24,562,616	-	$ 24,562,616
	Section VI--Net Shortfall (Surplus)									
58.	Net Shortfall (Surplus) without Franchise Fees (Line 21 - Line 57)			$ 1,300,243	(326,741)	$ 973,503	$ 233,109	(74,940)	$ 158,170	$ 1,533,353	(401,681)	$ 1,131,672
59.	Residential and Commercial Franchise Fees			$ 983,246	(18,354)	$ 964,892	$ 217,974	(3,716)	$ 214,258	$ 1,201,220	(22,070)	$ 1,179,150
60.	Net Shortfall (Surplus) with Franchise Fees (Lines 58 + 59)			$ 2,283,489	(345,095)	$ 1,938,394	$ 451,084	(78,656)	$ 372,428	$ 2,734,573	(423,751)	$ 2,310,822
	Section VII--Percent Change in Rates									
61.	Total Residential, Commercial, Transfer Station, and RRF Revenues Prior to Rate Change (Line 51 + 54 + 55)			**$18,578,411**	**-**	**$ 18,578,411**	**$ 4,471,484**	**-**	**$ 4,471,484**	**$ 23,049,895**	**-**	**$ 23,049,895**
62.	Percent Change in Existing Residential/Commercial/Transfer Station/RRF Rates (Line 60 ÷ Line 61)			**12.29%**	**-1.86%**	**10.43%**	**10.09%**	**-1.76%**	**8.33%**	**11.86%**	**-1.84%**	**10.03%**

DRAFT

Attachment D: Crowe Combined Base Year 2024 and SB 1383 Implementation Rate Model with Adjustments

DRAFT

Base Year Rate Application

Financial Information for All Three Jurisdictions

		Forecast Base Yr + SB 1383		
		All Three Jurisdictions 6/30/2024	Crowe SB 1383 Adjustments 6/30/2024	Projected 6/30/2024
	Section I--Allowable Operating Costs			
5.	Direct Labor	$ 11,037,291	$ (88)	$ 11,037,202
6.	Equipment Costs and Facility Costs	2,934,650	(27,386)	2,907,264
7.	Landfill Disposal Costs	1,802,481	(10,922)	1,791,559
8.	Office Salaries	1,890,050	(129,188)	1,760,862
9.	General and Administrative Costs	5,784,781	(287,926)	5,496,855
10.	MRF Principal and Interest Payments (El Dorado County)	7,503	-	7,503
11.	RRF Principal and Interest Payments (El Dorado County)	51,405	-	51,405
	Other Interest Expenses (El Dorado County)	146,794	-	146,794
12.	**Total Allowable Operating Costs**	$ 23,654,955	$ (455,511)	$ 23,199,445
	Section II--Allowable Operating Profit			
13.	Operating Ratio	87.00%		
14.	Allowable Operating Profit	$3,534,648	(65,829)	$3,468,820
	Section III--Pass Through Costs without Franchise Fees			
15.	MRF Principal Payments (City and Douglas)	$21,064	$0	$21,064
16.	RRF Principal Payments (City and Douglas)	96,289	0	96,289
17.	MRF and RRF Interest Expenses (City and Douglas)	133,715	0	133,715
	Other Interest Expenses (City & Douglas)	625,647	0	625,647
18.	RRF Fund Credit	0	0	0
19.	Recycling Revenue Bonus	499,686	0	499,686
20.	**Total Pass Through Costs**	$1,376,402	$0	$1,376,402
	Section IV--Revenue Requirement without Franchise Fees			
21.	Total Allowable Operating Costs (Line 12) plus Allowable Operating Profit (Line 14) plus Total Pass Through Costs (Line 20)	$28,566,005	(521,339)	$28,044,666
	Section V--Revenues without Rate Change in Base Year			
	Residential Revenues	Current Rate/Month	Months	Total
	City of South Lake Tahoe			
22.	Unlimited service	$ 37.15	12	$ 6,411,941
25.	Qualified senior rate	22.90	12	38,747
26.	House service - 1 can	42.44	12	2,037
27.	House service - 2 cans	47.76	12	573
28.	House service - 3 cans	53.04	12	-
	Douglas County			
30.	1, 32-gallon can	$ 23.37	12	$ 403,834
31.	2, 32-gallon cans	44.98	12	181,899
32.	3, 32-gallon cans	68.59	12	34,569
33.	4, 32-gallon cans	90.22	12	4,331
37.	1, 45-gallon can	28.33	12	108,447
38.	2, 45-gallon cans	54.47	12	30,721
39.	3, 45-gallon cans	83.01	12	5,977
42.	Residential - All other services	128.32	12	4,620
	El Dorado County			
43.	Unlimited service	$ 40.77	12	$ 3,162,447 $ - $ 3,162,447
44.	Mandated pickup per 32-gallon can/bag	8.54	12	- - -
45.	Mandated pickup per cubic yard	48.88	12	- - -
46.	Qualified senior rate	26.58	12	34,448 - 34,448
47.	House service per can	5.16	12	62 - 62
48.	Residential - All other services (Area B - formerly ARD)	22.42	12	43,315 - 43,315
49.	Residential Revenues Subtotal			$ 10,467,968 $ - $ 10,467,968
50.	Less: Allowance for Uncollectible Residential Accounts			- - -
51.	Total Residential Revenues (without Rate Change in Base Year)			$ 10,467,968 $ - $ 10,467,968
52.	Commercial Revenues			$ 9,651,796 $ - $ 9,651,796
53.	Less: Allowance for Uncollectible Commercial Accounts			- - -
54.	Total Commercial Revenues (without Rate Change in Base Year)			$ 9,651,796 $ - $ 9,651,796
55.	Transfer Station and RRF Revenues (AND FORESTRY, FED, STATE			2,930,131 0 2,930,131
56.	Recycled Material Sales			1,512,721 0 1,512,721
57.	**Total Revenues** (Lines 51 + 54 + 55 + 56)			$ 24,562,616 $ - $ 24,562,616
	Section VI--Net Shortfall (Surplus)			
58.	Net Shortfall (Surplus) without Franchise Fees (Line 21 - Line 57)			$ 4,003,390 $ (523,575) $ 3,479,814
59.	Residential and Commercial Franchise Fees			$ 1,201,220 $ (27,709) $ 1,173,511
60.	Net Shortfall (Surplus) with Franchise Fees (Lines 58 + 59)			$ 5,204,609 $ (551,284) $ 4,653,325
	Section VII--Percent Change in Rates			
61.	Total Residential, Commercial, Transfer Station, and RRF Revenues Prior to Rate Change (Line 51 + 54 + 55)			**$ 23,049,895 $ - $ 23,049,895**
62.	Percent Change in Existing Residential/Commercial/Transfer Station/RRF Rates (Line 60 ÷ Line 61)			**22.58% -2.39% 20.19%**
	PROJECTED SB 1383 Incremental Rate Increase			***10.72%*** ***10.16%***

DRAFT

Clean Tahoe Program
FY 2023/24 Budget

CATEGORY	FY 2023/24
REVENUE	
Animal-in-Trash Cleanup Service Fees	3,000
Bulk Item Pickup	300
California Tahoe Conservancy (TRCD)	6,000
City of SLT/STR	
City Commercial Surcharge	130,000
City Residential Surcharge	120,000
Transfer Station Fees (collected by STR)	40,000
Total City of SLT/STR	290,000
Community Cleanup Day	
Cleanup Day Sponsorship	5,000
Cleanup Day Gate Receipts	3,000
Total Community Cleanup Day	8,000
El Dorado County	
County Commercial Surcharge	1,300
County Residential Surcharge	11,300
El Dorado County Parcel Assessment	29,000
Total of El Dorado County	41,600
Field Fees	
Reimbursement of Dump Fees	4,000
Service Fees	3,000
Total Field Fees	7,000
Grants	3,000
Mattress Pickup Reimbursement Program	700
Memberships	1,500
Miscellaneous	
Amazon Smile disbursement	75
Bank Interest	40
Stock Dividend	200
Donations/fundraing opportunities	200
Total Miscellaneous:	515
South Tahoe Redevelopment Area	
Dump Fee Reimbursement	550
Labor Fees	6,500
Total So. Tahoe Redevelopment Area	7,050
North Shore Administartion Fee	11,000
	$379,665
EXPENSES	
Advertising/Outreach	2,000

Clean Tahoe Program
FY 2023/24 Budget

CATEGORY	FY 2023/24
Community Cleanup Days (Tahoma & S Shore)	
PR/Advertising	700
Tonnage/Transportation (South Shore)	5,000
Tonnage/Transportation (Tahoma)	2,000
Misc. and Supplies	500
Total Cleanup Days	8,200
Dues/Subscriptions/Memberships	1,900
Dump Fees	12,000
Education/Training/Event Attendance	1,500
Events - GSRC, Sping Clean, etc.	2,200
Field Supplies	3,000
General Admin/Program Expense	500
Insurance	
General Liability	2,000
Directors' Liability	1,300
Total Insurance	3,300
Internet & Email	
Internet Service Provider	700
Website maintenance & hosting, email hosting	1,500
Total Internet & Email	2,200
Membership Expense	
Advertising & Mailings	700
Mileage Reimbursements	300
Minor Equipment Purchase	
office/event equipment	2,000
field equipment purchase	500
Total Minor Equipment Purchase	2,500
Office Expense	
Misc. Office Supplies	750
Copy Machine Lease	2,300
Postage	500
Total Office Expense	3,550
Payroll Expenses	
Employer Taxes	20,000
Gross Payroll	
Program Assistant (PT)	29,000
Executive Director	58,000
Field Crew	115,000
Field Crew OT & Holiday	1,270
	203,270

Clean Tahoe Program
FY 2023/24 Budget

CATEGORY	FY 2023/24
Retirement Plan	
Administrative Costs	1,500
Employer Contribution	7,500
Health Stipened	23,000
Workers' Comp	13,000
Total Payroll Expenses	281,270
Professional Fees	
Accounting/bookkeeping	2,300
HR consulting	0
Legal Fees	1,000
Total Professional Fees	3,300
Rent	
Office	17,000
Total Rent	17,000
Repairs	
Computer repairs	500
Equipment Repairs	500
Total Repairs	1,000
Uniforms	1,000
Utilities	
Electric	2,000
Natural Gas	0
Telephone (Office & Mobile)	3,620
Total Utilities	5,620
Vehicles	
Fuel	12,000
Insurance	6,500
Maintenance	3,525
Registration	1,600
Miscellaneous	3,000
Total Vehicles	26,625
TOTAL EXPENSES	**$379,665**
TOTAL PROFIT/LOSS	**$ -**

STR Rate Analysis
Base Year Rate Setting (2024)
Public Hearing

CITY OF
SOUTH LAKE TAHOE

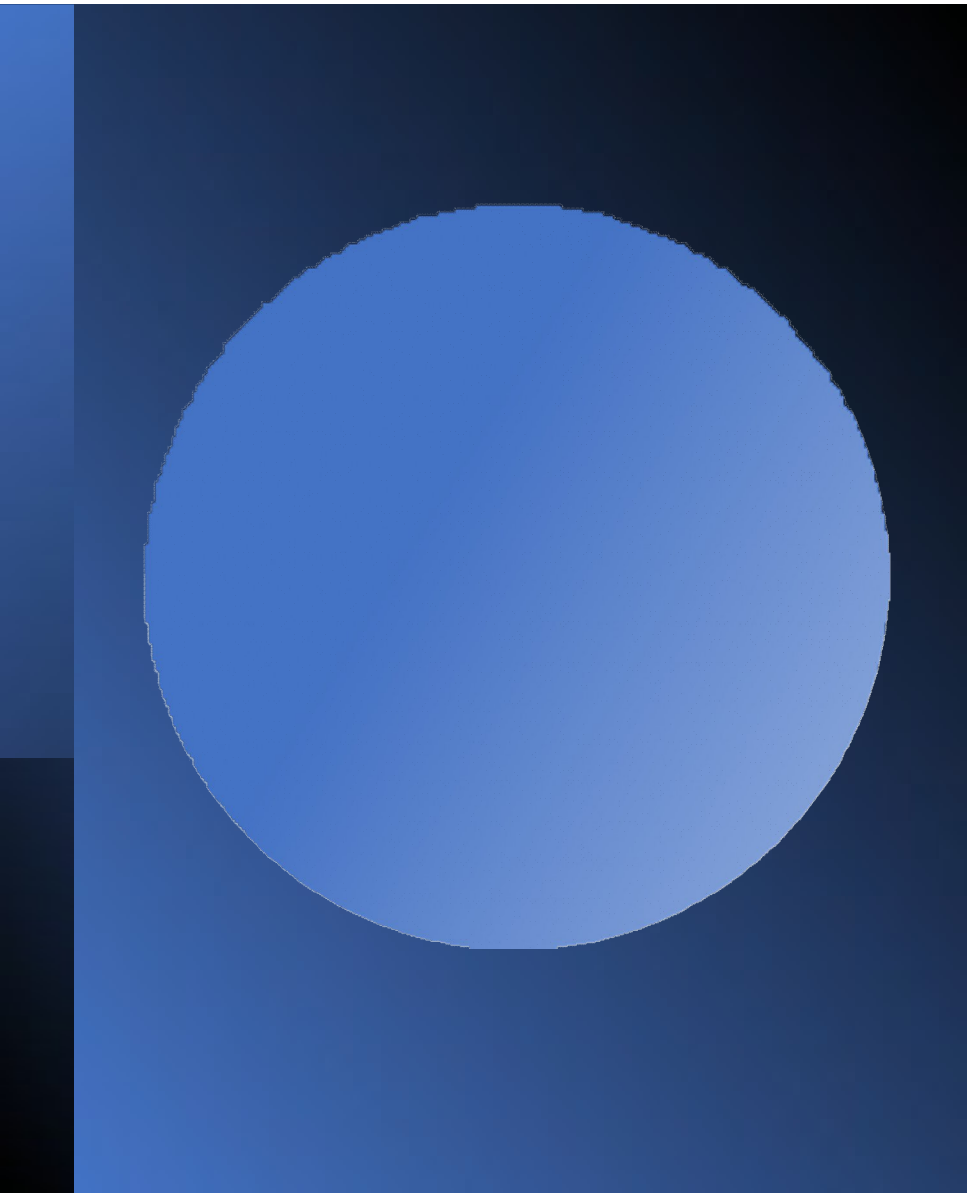
City Council

December 12, 2023

Agenda

1	Background and Scope of Analysis
2	Approach
3	Result of Base Year Analysis (2024)
4	SB 1383 Analysis

Background and Scope of Analysis



Introduction

Setting rates for Base Year 2024; Effective January 1, 2024

- Year 2021 was a base year (detailed review of revenues, costs, profits)
- Year 2022 was an interim year
- Year 2023 was an interim year
- Year 2024 is a base year (detailed review of revenues, costs, profits)

- STR also submitted an application for an SB 1383 rate increase

Background and Scope of Analysis

- June - STR submitted application
- August/September - Crowe analyzed the application in accordance with the methodology in the Rate Manual
- Submitted multiple data requests
- Interviewed company management

Approach



Approach

Crowe performed the following tasks:

1) Checked calculations
2) Reviewed the reconciliation of the application to audited F/S
3) Evaluated escalations
4) Challenged assumptions
5) Conducted some testing related to cost allowability
6) Interviewed management
7) Compared revenues and costs with prior trends in actual revenues and costs
8) Compared escalations against cost drivers (e.g., tonnage, accounts)

Results of Base Year Analysis (2024)



Requested and Crowe Recommendations

Jurisdiction¤	Requested¤	Calculated¤
City·of·South·Lake·Tahoe¤	12.29%¤	11.05%¤
El·Dorado·County¤	10.09%¤	8.33%¤
Douglas·County¤	12.29%¤	8.15%¤

Base Year 2024 Increase:

Residential Services Proposed Changes:

11.05% for the City of South Lake Tahoe

8.33% for El Dorado County

8.15% for Douglas County

Service Level	Current Rate (Per Customer, Per Month)	Proposed Rate (Per Customer, Per Month	Proposed Rate Increase (Per Customer, Per Month)
City of South Lake Tahoe			
Unlimited service[1]	$37.15	$41.26	$4.11
Douglas County			
1, 32-gallon can	$23.37	$25.27	$1.90
El Dorado County			
Unlimited service	$40.77	$44.17	$3.40

Commercial Rate Proposed Changes:
Base Year 2024 Increase:
11.05% for the City of South Lake Tahoe

8.33% for El Dorado County
8.15% for Douglas County

Service Level	Current Rate (Per Customer, Per Month)	Proposed Rate (Per Customer, Per Month	Proposed Rate Increase (Per Customer, Per Month)
City of South Lake Tahoe			
Per cubic yard	$42.50	$47.20	$4.70
Douglas County			
Per cubic yard	$34.30	$37.10	$2.80
El Dorado County			
Per cubic yard	$48.88	$52.95	$4.07

On October 23, 2023, the South Lake Tahoe Basin Management Authority (JPA) accepted Crowe's Recommendations and recommended that the findings be submitted to each jurisdiction for consideration.

Crowe also Reviewed the SB 1383 Analysis (Statewide Mandatory Organic Waste Collection)

However, JPA did not take any action on the SB 1383 proposed rate increases, and this evaluation was deferred to 2024.

Proposition 218 Notice and Requirement

- The city notified property owners and customers 45 days before the Public Hearing by mailing written notices of the proposed residential and commercial increase for the solid waste services before October 27, 2023.
- Those property owners and customers have the right to protest the proposed rate increase by submitting a written protest to the City Clerk any time before the Public Hearing on December 12, 2023.
- If less than a majority of the property owners and customers file written protests to the proposed rate increase, the City Council may approve the proposed changes to the solid waste rates.

Questions ?

Thank you!

CITY OF SOUTH LAKE TAHOE

Sean Aaron
[redacted]
South Lake Tahoe, CA
96150

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

Dearest City Clerk -

Hello. My name is Sean Aaron. I'm a long time resident here. We've seen alot of new people moving here and with that the sense of being "locals" has been something undervalued and not honored here any more. The rate increase for locals on solid waste is 100% untair to locals. It's sad to say but our waste management monopoly has to stop at some point with all the increases. I protest the rate increase. [redacted] Enough is Enough! Stop the GREED!

cheers
Sean Aaron

HOTEL azure

Subject: Protest Against South Tahoe Refuse (STR) Proposed Rate Increase

Dear Sir or Madam,

November 3, 2023

We would like to outline several compelling arguments against the proposed rate increase:

1. **Economic Vulnerability of South Lake Tahoe:** South Lake Tahoe's economy is heavily reliant on tourism. The city's primary source of income is derived from visitors who come to enjoy the natural beauty of Lake Tahoe, and the business owners who cater to them. With the hospitality industry being a cornerstone of our local economy, the proposed fee increase could put the business unsustainable and consequently deter tourists and adversely affect the overall financial stability of the city.

2. **Timing of the Rate Increase:** It is crucial to note that South Tahoe Refuse (STR) has recently implemented a rate increase in January 2023. This quick succession of rate hikes is unreasonable, especially when many businesses and households are still grappling with the economic fallout of the COVID-19 pandemic. The community has already faced significant financial challenges, and a further rate increase in January 2024 would exacerbate these difficulties.

3. **Lack of Justification for the Rate Increase:** While it is understandable that some areas might experience an increase in waste generation due to the COVID-19 pandemic, South Lake Tahoe's unique economic structure sets it apart. The city does not face the same circumstances as areas where residents have predominantly shifted to remote work or schooling. The proposed rate increase does not align with the actual waste generation patterns in our community.

4. **Strain on Local Businesses:** The increased taxes and fees have already made it more challenging for local hotel owners and other businesses to operate successfully. Adding another expense in the form of a higher waste collection rate may push some businesses to the brink, jeopardizing local jobs and the city's economic viability.

5. **Exploring Cost-Saving Alternatives:** Instead of passing the financial burden onto residents and businesses, STR should prioritize seeking cost-saving solutions within their operations such as efficiency improvements, sustainable practices, vendor negotiations etc. By exploring the alternative solutions STR

(530) 542 0330
JAGNEW@hotelazuretahoe.com
www.hotelazuretahoe.com
3300 Lake Tahoe Blvd,S.Lake Tahoe,CA96150

may work towards maintaining a fair and sustainable pricing structure that does not disproportionately burden that South Lake Tahoe community. It's essential that STR considers these options before imposing additional financial stress on the people and businesses that make our city thrive.

In conclusion, we strongly urge you to reconsider the proposed rate increase for solid waste collection services by South Tahoe Refuse (STR). Given the city's reliance on tourism, the recent rate hike, and the unique economic circumstances of South Lake Tahoe, this increase would be detrimental to our community. We need to support our local businesses, not impose further financial burdens on them.

We kindly request that this letter be taken into consideration during the public hearing and that you prioritize the best interests of South Lake Tahoe's residents and businesses. We must work together to ensure the economic well-being of our city.

Thank you for your attention to this matter.

Sincerely,



Jeremy Agnew,

General Manager, on behalf of
Azure Tahoe Resorts LLC

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JAGNEW@hotelazuretahoe.com
www.hotelazuretahoe.com
3300 Lake Tahoe Blvd,S.Lake Tahoe,CA96150

may work towards maintaining a fair and sustainable pricing structure that does not disproportionately burden that South Lake Tahoe community. It's essential that STR considers these options before imposing additional financial stress on the people and businesses that make our city thrive.

In conclusion, we strongly urge you to reconsider the proposed rate increase for solid waste collection services by South Tahoe Refuse (STR). Given the city's reliance on tourism, the recent rate hike, and the unique economic circumstances of South Lake Tahoe, this increase would be detrimental to our community. We need to support our local businesses, not impose further financial burdens on them.

We kindly request that this letter be taken into consideration during the public hearing and that you prioritize the best interests of South Lake Tahoe's residents and businesses. We must work together to ensure the economic well-being of our city.

Thank you for your attention to this matter.

Sincerely,



Jeremy Agnew,

General Manager, on behalf of
Azure Tahoe Resorts LLC

Service Address: [redacted] South Lake Tahoe, CA 96150

(530) 542 0330
JAGNEW@hotelazuretahoe.com
www.hotelazuretahoe.com
3300 Lake Tahoe Blvd,S.Lake Tahoe,CA96150

11-2-2023

City Clerk
City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

City Clerk

I would like to protest the rate increase of 11.05%. I am retire and on a fixed income. A raise of 11.05% is too much.

Stephen Akacsos Steph Akacsos
[redacted]
South Lake Tahoe CA
96150 [redacted]

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

The Murphy Family Living Trust #1
c/o Frances Argay, Trustee
[redacted]

November 3, 2023

RECEIVED
NOV 2 8 2023
City of South Lake Tahoe
Office of the City Clerk

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Re: **Rate Increase for Solid Waste – [redacted] S. Lake Tahoe, CA**

Dear City Clerk:

We would hereby like to protest the rate increase for proposed solid waste that will be addressed at the public hearing on 12/12/23. Our address of service is [redacted] in South Lake Tahoe, CA.

Sincerely,

Frances Argay, as Trustee for the Murphy Family Living Trust #1

Frances Argay, as Trustee for the Murphy Family Living Trust #1

FA:ms

I protest the proposed rate increase for STR. We already pay for service we don't use because we are forced to have service even when we aren't here for months at a time. Our rates are already high.

NADINE AURELIO
[redacted]
SLT, CA 96150
Nadine Aurelio

RECEIVED
NOV 28 2023
City of South Lake Tahoe
Office of the City Clerk

11/4/23

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, Ca. 96150

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City of South Lake Tahoe
Office of the City Clerk

To whom it may concern:

I am the property owner of [redacted] South Lake Tahoe, Ca.

I am protesting the 11.05% rate increase for collection, processing and disposal of residential waste. We are only at this house a few times a year and therefore do not consistently utilize this service, which we currently pay for on a monthly basis. I am opposed to increasing fees for a service we use on a part time basis.

Thank you for considering this request.

Sincerely,

Valerie Benito

To: City Clerk, City of South Lake Tahoe
From: Carriage Lane Properties
Re: Proposed Solid Waste Rate Increases for 2024

Dear South Tahoe Refuse:

We are the owners of two multiunit apartment buildings in South Lake Tahoe. In reviewing our trash bills from 2021, 2022 and 2023, we have been paying yearly increases of 4.5%, 5% and now the proposed 11.05%.

Our bill on one building (Stewart) will increase $134.65 per quarter from 2021 rates to the new 2024 rates (a total of 20.5%) while the other building (Sierra) will increase $379.53 per quarter. We believe an 11.05% yearly rate increase is way too high.

None of our other utilities have had such a huge increase in costs so we therefore are filing this formal protest. We urge a "No" vote on the proposed rate increases.

Our addresses of service are the following 3 parcels. Please count our protest vote as 3 against this rate increase:

[redacted]
South Lake Tahoe, CA 96150

[redacted]
South Lake Tahoe, CA 96150

[redacted]
South Lake Tahoe, CA 96150

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City of South Lake Tahoe
Office of the City Clerk

Sincerely,

Sue Caslava

Sue Caslava, CEO
Carriage Investments LP

Nov. 7, 2023

I, Helga Cloud, am protesting the proposed rate increase.

Helga Cloud

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NOV 28 2023
City of South Lake Tahoe
Office of the City Clerk

Helga Cloud
[redacted]
So. Lake Tahoe, California
96150

To: City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Ref Proposed Solid Waste Rate Adjustment
Written Protest

Please accept this as my letter of protest against the proposed rate increase.

Sincerely

Ross W. Cutshaw, ROSS W. CUTSHAW

[redacted]

South Lake Tahoe, CA 96150

[redacted]

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City of South Lake Tahoe
Office of the City Clerk

November 2, 2023

WRITTEN PROTEST for Parcel # [redacted] for Solid Waste Rate Increase

FULL NAME: Despina and Morgan Kelly

Address: [redacted], South Lake Tahoe, CA 96150

This letter is written by legal owners for parcel # [redacted] to protest rate increase of 11.05% which we hope will not pass. We are protesting the proposed rate increase!!!!!!!

RECEIVED
NOV 28 2023
City of South Lake Tahoe
Office of the City Clerk

Signed,

Despina and Morgan Kelly

Despina Kelly
Morgan Kelly

RECEIVED
DEC 01 2023
South Lake Tahoe
City Clerk

City Clerk,

My name is Charlene DeVecchi, [redacted] Way Ave. South Lake Tahoe (BISON).

Our summer cabin is only used June, July, Aug + Sept. We do not require garbage service but must pay all year because we have the electricity on.

The electricity is only for outdoor security lights.

I may be eligible for senior rate?

I am protesting the proposed rate increases.

Charlene DeVecchi

RECEIVED

NOV 2 8 2023

City of South Lake Tahoe
Office of the City Clerk

To Whom it May Concern:

We are writing to protest against the proposed rate hike scheduled to start in 2024. We are both in our 70's and on a fixed income. With prices in general going up due to inflation another rate increase is an additional burden. We hope that South Tahoe Refuse will reconsider this rate hike and act in the best interest of our community.

James and Cynthia Farmer

James Farmer C. Farmer

[redacted]

SLT, CA 96150



To: City Clerk
City of South Lake Tahoe

From: Randall Flynn
[redacted]
South Lake Tahoe, CA. 96150

Date: October 30, 2023

Re: Proposed STR Rate Increases for 2024

I protest the proposed rate increases.

Signature

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

December 1, 2023

RE: Proposed Solid Waste Rate Adjustments
Address of Service: [redacted]
South Lake Tahoe, CA 96150

This letter is to protest the proposed solid waste rate adjustment to begin January 1, 2024. Next summer the city is going to mandate the use of the new waste and recycle cart system, and a potential increase again at that time to cover the cost of the new equipment. We have a bear box (which was not cheap!) which the city highly encouraged and now we won't be able to use it for recycle. This is another change with increased cost!

I am protesting against a fee adjustment and/or rate increase!

Isabelle Frolli

Isabelle Frolli
[redacted]

RECEIVED
DEC 07 2023
City of South Lake Tahoe
Office of the City Clerk

RECEIVED

NOV 02 2023

City of South Lake Tahoe
Office of the City Clerk

Allan Fung
[redacted]
South Lake Tahoe, CA 96150
Oct 30, 2023

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

City Clerk,

I am protesting the proposed rate increase. The proposed rate increase is much too high.

Allan Fung

Notice of Protest

To

Proposed Solid Waste Rate Increases

RECEIVED
NOV 3 0 2023
City of South Lake Tahoe
Office of the City Clerk

Property Owner: Carmelo Furlan

Address of Service: [redacted] South Lake Tahoe, CA 96150

As a property owner in South Lake Tahoe, I believe that the proposed solid waste rate increases are outrageous. I believe an increase of 11.05% is outrageous. The rate currently paid is already high.

At a time when people are struggling this is not acceptable.

Carmelo Furlan

November 1, 2023

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Re: Proposed Rate Increase

City Clerk,

I protest the proposed rate increases. Per the notice provided, rates were last adjusted January 1, 2023. To add a steep 11.05% increase just a year later is unreasonable.

Sincerely,

Michele Garza
[redacted]
South Lake Tahoe, CA 96150

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NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

November 2, 2023

Evelyn Goodell
[redacted]
S. Lake Tahoe, Ca 96150

City Clerk
1901 Lisa Maloff Way
S. Lake Tahoe, Ca 96150

To Whom It May Concern:

I am protesting the rate increased for Solid Waste. I am 80 years old and live on a fixed budget of Medicare.

Thank you.

Evelyn Goodell

Evelyn Goodell

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

October 30, 2023

Re: Protest of Proposed Solid Waste Rate Adjustment

To whom it may concern,

This letter is to formally record my protest of the "proposed solid waste rate adjustment"

Anthony Gooding

Anthony Gooding
[redacted]
South Lake Tahoe, CA 96150
[redacted]



Nov. 13, 2023

To the City Clerk,

I protest the rate increase on solid waste collection.

From: Judith Graham



Judith Graham
[redacted]
So. Lake Tahoe, Ca
96158

Cory Hall
[redacted]
South Lake Tahoe, CA 96150
[redacted]

RECEIVED
NOV 2 8 2023
City of South Lake Tahoe
Office of the City Clerk

November 8, 2023

Re: Proposed Solid Waste Rate Adjustment by South Tahoe Refuse

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Dear City Clerk,

I have reviewed the letter that was sent out giving notice of a proposed solid waste rate adjustment by South Tahoe Refuse.

I am the property owner of [redacted] in South Lake Tahoe and have been since 2006. I am strongly opposed and protesting any rate increase that is being proposed by STR.

Please accept this letter as my official protest against this proposed increase.

Thank you,

Cory Hall

Melissa P. Hindt
The John P Hindt and Melissa P Hindt 2014 Trust
[redacted]

RECEIVED
NOV 2 8 2023
City of South Lake Tahoe
Office of the City Clerk

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

I am the sole owner of the property at service address [redacted] South Lake Tahoe, CA 96150.

This is my official notice of protest of the proposed solid waste rate adjustments and increases for 2024. I do not agree nor do I want to pay an increase of 11.05% for the 2024 year.

Sincerely,

Melissa P. Hindt
NOV. 3, 2023

Eileen Hoyt
[redacted]
South Lake Tahoe, CA 96151-3453

November 25, 2023

Susan Blankenship, City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Dear Ms. Blankenship,

Thank you for the notice of the Proposed Solid Waste Rate Adjustments.
The notice said, "A base year adjustment is reviewed every three years."
The second document stated, "The City's solid waste rates were last adjusted January 1, 2023."

The Refuse Company would like to increase rates at 11.05 per cent to begin January 1, 2024.

I am opposed to the 11.05 percent rate increase one year from the last adjusted rate increase on January 1, 2023.

Sincerely,

Eileen Hoyt

Eileen Hoyt

Enclosures

CITY OF SOUTH LAKE TAHOE

NOTICE

PROPOSED SOLID WASTE RATE ADJUSTMENTS AND PUBLIC HEARING ON DECEMBER 12, 2023

NOTICE IS HEREBY GIVEN that on Tuesday, December 12, 2023, at 5:30 p.m., a public hearing will be held at the City of South Lake Tahoe City Council Chambers located at 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150 to consider proposed adjustments to the City's residential and commercial solid waste rates, provided by South Tahoe Refuse (STR).

The costs of collection and processing of the waste stream in the City of South Lake Tahoe has gone up. As a result, STR, the City's franchised waste hauler, proposes to increase the collection rates charged, as shown on in this notice.

PROPOSED SOLID WASTE RATES

The City maintains a solid waste franchise agreement with STR for collection and disposal services. The franchise agreement includes provisions for adjustments to the rates charged for these services. The Rate Setting Policy and Procedures Manual is used by the three partners in the South Lake Tahoe Basin Waste Management Authority (JPA): the City of South Lake Tahoe, El Dorado County, and Douglas County. The JPA has reviewed the proposed rate increase and provided a recommendation to the City and other agency partners.

- A base year adjustment is reviewed every three years. The base year adjustment proposed for 2024 is an increase of 11.05% as shown in the table following this section.

PUBLIC HEARING AND PROTEST PROCEEDINGS

As the property owner/ratepayer, you have the right to protest the proposed rate increases. If it is determined that a majority of property owners/rate payers have submitted a formal protest, the proposed fee change must be rejected.

Only one protest notice is allowed per parcel. If you choose to protest, you must submit a signed written protest to the City Clerk on or before the close of the public hearing. The written protest must contain your full name and signature (or that of an authorized representative), the address of service, and a statement that you are protesting the proposed rate increases.

Original written protests can be mailed or personally delivered to the City Clerk, but must be received by no later than the close of the public hearing on December 12, 2023. Written protests may be mailed to:

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

If you have any questions regarding this notice or the proposed rate adjustments, or you would like more information, please email sblankenship@cityofslt.us.

CITY OF SOUTH LAKE TAHOE

RESIDENTIAL

The City's solid waste rates were last adjusted January 1, 2023. If the proposed rate increase is approved it will go into effect January 1, 2024.

TABLE A: RESIDENTIAL SOLID WASTE PROPOSED RATE INCREASES

Service	Rate Frequency	2023 base rate	Base Year (11.05%)	2024 Base Rate
Unlimited	Monthly	$ 37.15	$ 4.11	$ 41.26
Mandated pickup per 32-gallon can/bag	Per pickup	$ 7.78	$ 0.86	$ 8.64
Mandated pickup per cubic yard	Per pickup	$ 52.05	$ 5.75	$ 57.80
Qualified Senior Rate	Monthly	$ 22.90	$ 2.53	$ 25.43
Household service: 1 can	Monthly	$ 42.44	$ 4.69	$ 47.13
Household service: 2 cans	Monthly	$ 47.76	$ 5.28	$ 53.04
Household service: 3 cans	Monthly	$ 53.04	$ 5.86	$ 58.90
*Clean Tahoe Rate included in Base Rate	Monthly	$ 0.73	$ 0.08	$ 0.81

*Base Rate does not include monthly City surcharge amounts for Street Sweeping ($0.25) and Nuisance Abatement ($0.25)

ADDITIONAL RESIDENTIAL SERVICE FEES

In addition, beginning January 1, 2024, the following services are subject to the following fees per occurrence:

Bulky Item (City)	$ 35.00	Replacement of Animal-Resistant Cart	$ 260.00
Bulky Item (Clean Tahoe)	$ 30.00	Contamination (car; any size)	$ 25.00
Animal Cleanup (Clean Tahoe)	$ 35.00	Return for Service (if container not set out)	$ 25.00
Replacement of Recycling or Yard Waste Cart	$ 70.00	Overfilled Trash Carts	$ 10.00

Raul Keally
[redacted]
South Lake Tahoe, CA 96150

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

RE: Proposed Solid Waste Rate Adjustment – STR

To whom it may concern,

Please accept this letter as notification that **I am protesting the proposed rate increase** by STR in 2024. As a second homeowner I do not currently fully utilize waste disposal services on a weekly basis and feel as though I am subsidizing waste disposal for other residents by paying a flat rate each quarter. An increase is unfair in my situation as a second homeowner.

I propose that STR review how they bill their residents and consider **establishing a more efficient and fair way of charging their existing and new customers based on actual usage of their waste disposal service.**

Regards,

Raul Keally

Raul Keally
Service Address: [redacted] South Lake Tahoe CA 96150

RECEIVED
NOV 28 2023
City of South Lake Tahoe
Office of the City Clerk

To:

City Clerk

1901 Lisa Maloff Way

South Lake Tahoe, CA 96150

RECEIVED

DEC 07 2023

City of South Lake Tahoe

From:

Jesse and Gabriela Kohler

[redacted]

South Lake Tahoe CA, 96150

Subject:

Written protest for proposed solid waste rate increase for [redacted]

We formally protest the proposed solid waste rate increase for [redacted] Dr. Our property taxes and utility rates have continually increased without a noticeable improvement in services rendered.

Respectfully,

Jesse and Gabriela Kohler

Gabriela Kohler

Jesse Kohler 12/1/23

To:

City Clerk

1901 Lisa Maloff Way

South Lake Tahoe, CA 96150

RECEIVED

DEC 0 7 2023

Office of the City Clerk

From:

Jesse and Gabriela Kohler

[redacted]

South Lake Tahoe CA, 96150

Subject:

Written protest for proposed solid waste rate increase for [redacted]

We formally protest the proposed solid waste rate increase for [redacted] Ave. Our property taxes and utility rates have continually increased without a noticeable improvement in services rendered.

Respectfully,

Jesse and Gabriela Kohler

Jesse Kohler 12/1/23

To:

City Clerk

1901 Lisa Maloff Way

South Lake Tahoe, CA 96150

RECEIVED

DEC 07 2023

City of South Lake Tahoe
Office of the City Clerk

From:

Jesse and Gabriela Kohler

[redacted]

South Lake Tahoe CA, 96150

Subject:

Written protest for proposed solid waste rate increase for

[redacted]

We formally protest the proposed solid waste rate increase for [redacted] Our property taxes and utility rates have continually increased without a noticeable improvement in services rendered.

Respectfully,

Jesse and Gabriela Kohler

Jesse Kohler 12/1/23

412

WHOM IT MAY CONCERN,

AS THE PROPERTY OWNER OF [redacted], I PROTEST TO THE PROPOSED SOLID WASTE INCREASES.

RECEIVED
NOV 2 8 2023
City of South Lake Tahoe
Office of the City Clerk

SINCERELY,

KIMBERLY LESTER
[redacted]
SLT, CA 96150

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

RECEIVED
NOV 3 0 2023
City of South Lake Tahoe
Office of the City

Reference: Proposed Solid Waste Rate Adjustment

Dear City Council Members:

As requested, I'm writing this letter to protest the proposed rate increase by South Tahoe Refuse; specifically as it applies to residential ratepayers.

Background

I understand that the impetus for the pending rate increase is to become aligned with SB1383 (which I have reviewed) which is focused on reducing methane gas emission as part of a general desire to improve environmental conditions in the community. I also understand that the various utility providers of South Lake Tahoe (Liberty Utilities, SouthWest Gas) have also increased their rates of providing service to ratepayers using the increase in costs to support the various projects to improve the environment. But at some point, a pause needs to be taken to look at the impact these efforts have on the residents and ratepayers of South Lake Tahoe. The primary impact being the increasing costs of just living in the area.

I own and live in South Lake Tahoe at [redacted] I have lived here full time since 2007; although I have owned the property since 1987. I am a senior (80 years old) and a veteran (USMC). I have a BS in engineering and an MBA. I have spent most of my work career in business in marketing and at the COO and CEO levels. I understand the impact on costs as new regulations are passed and how businesses need to adjust to changing conditions. However, just passing increasing costs along to ratepayers does have its limits.

Objections and Comments to Proposed Solid Waste Rate Adjustments

- The 11.05% increase seems high compared to recent inflation numbers. Also given that the South Tahoe Refuse (STR) website and the October letter by Jeff Tillman (President of STR) in the September 18, 2023 edition of South Tahoe Now infers how the proposed "3 cart system" will reduce their costs this adds to my objection. Particularly as I look at how the other utility services in South Lake Tahoe have increased their fees to ratepayers.
- There is no indication as to what specific cost increases are being used to justify the increase in rates. While it seems new trucks and carts will need to be acquired, this is a decision made by STR to meet the regulations. But is it the best approach for the ratepayers?
- The replacement costs for the "animal resistant carts" is particularly high at $260. While I am sure that STR did their research on the appropriate cart to choose, is it reasonable to place the burden of any replacement on the ratepayers. Given the incident of bears, etc. in the area combined with the size of the carts and the increased likelihood of them

being placed outside the home, there is a higher probability of the need for replacements. The STR website suggests not putting any waste out until collection day and keeping the carts clean and dry. This means ratepayers will need to separate the various "3 cart" items inside until collection day. This may not be feasible for many members in the community. Further, I just find it hard to believe that if a bear wanted to "inspect" one of the animal resistant carts it would do so and the result would probably be a $260 charge to the ratepayer.

- The STR website refers to a possible increase in costs in 2025. Does this mean another rate increase to ratepayers?
- Another objection/comment is regarding the proposed handling of yard waste included in this rate increase. It is proposed that collection of any yard waste will be every 2 weeks using the 95 gallons carts. It is also proposed that 32 gallons Rubbermaid cans and compostable paper bags can be used. Further it is suggested that a ratepayer can transport any yard waste to the STR site and that there will be "clean up week" a couple of times a year. Unfortunately, there are no details provided as to how notice of these cleanup weeks will be given or if any containers are provided. In addition, I'm not sure I want to load yard waste in my car for transportation to the STR facility. Given I gather and bag approximately 30+ bags (33 and/or 39 gallons bags) of pine needles twice per year, it would be useful to understand how this would work under this proposed rate increase.
- Another point is that on the STR website, it implies that ratepayers would not be required to separate food waste from solid waste stream. Some clarification would be helpful.

In conclusion, given the above points and comments I protest the proposed rate increases by South Tahoe Refuse.

Sincerely,

Robert E Lewin

Robert E. Lewin
[redacted]
South Lake Tahoe, CA 96150

NOTE: Mailing address is [redacted], South Lake Tahoe, CA 96151

Bradley Logie
[redacted] South Lake Tahoe, Ca. 96150
29 October 2023

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, Ca. 96150

RE: Proposed Solid Waste Rate Adjustment (official protest)

Dear Staff,

Please accept and regard this an official protest to the proposed rate increases. I am Bradley K. Logie of [redacted] - South Lake Tahoe, Ca. 96150

Sincerely,

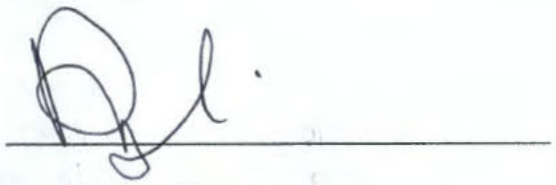
Bradley K. Logie

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

October 31, 2023

Regarding the proposed solid waste rate increase for 2024, I would like to formally protest this proposed rate increase.

Sincerely,



David Magnoli
[redacted]
South Lake Tahoe, CA 96150
[redacted]

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

From: Adele Margolis
To: Susan Blankenship
Subject: Re: Protest of Proposed Solid Waste Rate Adjustments
Date: Thursday, November 9, 2023 11:30:23 PM
Attachments: image001.png

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Susan,

Thank you for clarifying that an email protest is a valid delivery method. We wish to register our protest of the Proposed Residential Rate Adjustment.

We are residents of the City of South Lake Tahoe, not unincorporated El Dorado County.

Best regards,

Adele Margolis

On Thu, Nov 9, 2023 at 9:20 AM Susan Blankenship <sblankenship@cityofslt.us> wrote:

> I should say, I accept written protests for resident within the City, not the County.
>
> **Susan Blankenship, CMC**
>
> **City Clerk**
>
> CITY OF SOUTH LAKE TAHOE
>
> http://www.cityofslt.us
>
> *Please note that email correspondence with the City of South Lake Tahoe, along with attachments, may be subject to the California Public Records Act, and therefore may be subject to disclosure unless otherwise exempt.*
>
> ---
>
> **From:** Adele Margolis [redacted]>
> **Sent:** Thursday, November 9, 2023 9:13 AM
> **To:** Susan Blankenship <sblankenship@Cityofslt.us>
> **Subject:** Protest of Proposed Solid Waste Rate Adjustments

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello City of SLT Staff,

We received the Notice of Proposed Solid Waste Rate Adjustments and are registering our protest of the Residential Rate Adjustments.

Is there a way to register our protest via this email? Or do all ratepayer protests need to be written and mailed to the City via snail mail?

Best regards,

Adele Margolis

--

Adele Margolis

[redacted]

This is a verified communication from the City of South Lake Tahoe. If you suspect that this message was not sent from a verified source, contact the City of South Lake Tahoe IT department at it@cityofslt.us

--
Adele Margolis
[redacted]

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

November 2, 2023

RE: Protest of Proposed Solid Waste Rate Adjustments

I'm writing to protest the Proposed Solid Waste Rate Adjustments. It seems as if all utilities are increasing their rates, including this Proposal. However, those of us who are on fixed incomes are not receiving a 11+% increases in our pensions or Social Security incomes. When increase like this are imposed on us, we have to make adjustments in our spending. So too must these utilities make adjustments to their spending. We just cannot ask for increases in our incomes and expect others to fund them at our request. We all must learn to live within our budgets.

Richard P Martinelli
[redacted]
South Lake Tahoe, CA 96150

Signed By,
Richard P Martinelli
11/2/2023

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

Re: Protest Against Proposed 11.05% Price Increase for Waste Management Services

To Whom It May Concern,

I am writing to express my strong opposition to the proposed 11.05% price increase for waste management services in South Lake Tahoe. I am a concerned resident of this beautiful city, and I believe that such a significant price hike is unjustified and will impose an undue financial burden on the residents and businesses of our community.While I understand that waste management services play a crucial role in maintaining the cleanliness and environmental sustainability of our city, I believe that the proposed increase is excessive and fails to take into consideration the economic challenges that many individuals and families are currently facing. The pandemic and its economic consequences have already strained the financial resources of many residents, and an additional price increase for essential services such as waste management will only exacerbate their hardships.

Moreover, it is essential for the City of South Lake Tahoe to explore alternative solutions to alleviate the financial strain on its residents. This includes seeking opportunities for cost reductions, increasing efficiency in waste management operations, and exploring potential partnerships with neighboring municipalities to pool resources and reduce costs.

I kindly request that the City of South Lake Tahoe reconsider the proposed 11.05% price increase for waste management services and conduct a thorough review of the budget and financial operations to identify alternative solutions that would be more equitable and sustainable for our community.

I am committed to the well-being of our city, and I believe that, by working together, we can find a solution that ensures the financial viability of our waste management services while also considering the economic challenges faced by the residents and businesses

of South Lake Tahoe.I urge you to prioritize the interests and concerns of the residents and taxpayers in this matter and to engage in a transparent and open dialogue with the community to find a solution that benefits all stakeholders.

Thank you for your attention to this pressing issue. I look forward to a timely and thoughtful response that reflects the best interests of South Lake Tahoe and its residents.

Sincerely,

Mike Marvin
[redacted]
South Lake Tahoe , CA 96150
[redacted]
[redacted]
1st of Nov 2023

Elizabeth Maul
[redacted]
South Lake Tahoe, CA 96150

RECEIVED
NOV 28 2023
City of South Lake Tahoe
Office of the City Clerk

November 4, 2023

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Hello,

As a property owner of [redacted] in South Lake Tahoe on a fixed income, I am writing to protest the 11.05% solid waste rate increase for 2024. That is a huge increase and more than most annual cost of living increases.

Thank you,

Elizabeth Maul

Elizabeth Maul

Keith McCarthy
735 Glenwood Ave
South Lake Tahoe, CA 96150
530-544-8683

RECEIVED
NOV 2 8 2023
City of South Lake Tahoe
Office of the City Clerk

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

November 10, 2023

RE: Proposed 11.05 percent increase in solid waste rate adjustments for 2024 residential and commercial collection rates charged.

Dear South Lake Tahoe City Council Chambers:

I am hereby providing written notice of my protest of the proposed 11.05% base year increase adjustment proposed for 2024 as outlined in the "Notice of public hearing to be held on December 12, 2023" on the following basis:

1. I understand rate hikes are necessary, but a 11.05 % rate increase is extreme! I have been a commercial and residential customer for over 35 years and the challenges of living and doing business in SLT are becoming unsustainable. Please revoke this proposed rate increase.

Warm Regards,

Keith McCarthy

[redacted]

South Lake Tahoe, CA 96150

Parcel #[redacted]

11-4-23

I, DOUGLAS W. MENDOZA Douglas W. Mendoza

am protesting the rate increase. We are retired and cannot afford another increase. Please consider us!

RECEIVED
NOV 28 2023
City of South Lake Tahoe
Office of the City Clerk

[redacted]
S. Lake Tahoe, CA. 96150

So. Lake Tahoe CA

We are protesting the ~~prob~~ rate increase !!!

Fred & Martha Mittermayr

owner of [redacted] S.L.T. CA

Parcel [redacted]

A. Martha Mittermayr

RECEIVED

NOV 02 2023

City of South Lake Tahoe
Office of the City Clerk

Martha Mittermayr
[redacted]
S Lake Tahoe, CA 96150

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

11/1/2023
Angelica Nayeli Gomez Navarro
[redacted]
South Lake Tahoe, CA 96150

To whom it may concern:

I am writing this letter to protest the Solid Waste Rate Adjustment. The increase of 11.05% will be too much for our household to endure.

Sincerely,



Angelica Nayeli Gomez Navarro

RECEIVED
NOV 28 2023
City of South Lake Tahoe
Office of the City Clerk

City Clerk 11/27/23

I want to protest the rate hike or, I need a senior discount! Im 77 yrs old and retired on a fixed income. Please consider especially as I only use my cabin for less than 6 mos

JANET NELSON [redacted]

Janet Nelson

November 1, 2023

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

City Clerk

1901 Lisa Maloff Way

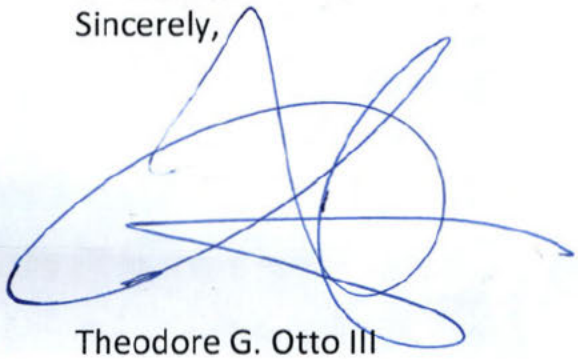
South Lake Tahoe, CA 96150

Dear City Clerk,

I am protesting the proposed solid waste rate hike. The proposed rate increases are unnecessary and unwarranted.

Thank you for your consideration.

Sincerely,



Theodore G. Otto III

[redacted]

South Lake Tahoe, CA 96150

RECEIVED
NOV 28 2023
City of South Lake Tahoe
Office of the City Clerk

11-7-2023

Good Morning,

We are against the ~~increase~~. I feel that due diligence was not done with Sacramento Legislatures mandated roll out of trash barrels on wheels for a community that is struggling to rebound off of so many issues. Fire insurance doubling & tripling for many homeowners. Every time costs go up rents will increase. A trash increase was granted in Jan 2023. If 11.05% is approved How about a 3.68% every year for 3 yrs. Thats a smaller dollar increase. Will there be more, yes. It never stops. The associates work hard. The Tribune has an ad for hiring. What is that for? An exemption should have been asked for in regards to roll away. Remember Alaska has no racoons Look it up. We have 5 or more they are on the hunt every night together. They can easily break up plastic, styrofoam open ice chests, tear into garbage. Bear boxes (also in Tahoe Keys) should be mandated.

Thanks

Thane Parton [redacted]

[redacted] SLT CA 96150

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

November 26, 2023

Ref: PROPOSED SOLID WASTE RATE ADJUSTMENTS AND PUBLIC HEARING

Dear Ms. Blankenship ,

Our family has owned a cabin in South Lake Tahoe since the mid 1960's which is normally only used in the summer months. In recent years, we have chosen to maintain electrical service year-round in order to keep our security system activated. Because of this, we are required to pay for garbage collection for twelve months a year even though we only use the service for three months. Our primary use is to dispose of pine needles in the spring for fire prevention.

We understand that the cost of waste collection and disposal is rising, however, unless we would be allowed to only pay for services used when our residence is occupied, we feel that we are already paying our fair share. Thus, we must PROTEST THE PROPOSED RATE INCREASE.

RECEIVED
DEC 0 1 2023
City of South Lake Tahoe
Office of the City Clerk

Fred P. Patron

On behalf of Fred Patron and Ellen Zawidski
[redacted]
South Lake Tahoe CA 96150

To: South Lake Tahoe City Clerk

Date: 12/01/2023

RE: Excessive South Lake Tahoe Refuse Increase

From: Sheree Pharris, Homeowner

[redacted]

RECEIVED
DEC 01 2023
City of South Lake Tahoe
Office of the City Clerk

To whom it may concern;

As a homeowner for over 40 years, I have never opposed the refuse companies increases until this year, an 11.05% increase is excessive, I do not know any working person here locally that has received an 11% increase in pay. The Counsil has a duty to represent the people of this community and have some consideration for maintaining the affordability of living in South Lake Tahoe. By granting this excessive increase along with the company's upcoming changes to the service they provide, which will also add additional cost to customers. I feel that this increase should be rejected, and a more reasonable adjustment be adopted.

The Counsil must consider the following:

We all will be mandated to have the refuse company's trash and waste cans, which they say are free. Which is untrue, the cost is being passed on to consumers, as is the cost of the new trucks that will be needed, or the retro fitting of the current trucks.

Individuals with the mandated bear boxes will be unable to use them in the future even though the company states the cans can continue to be used for now (KEY WORDS ARE FOR NOW). Additionally, there is no such thing as a BEAR resistant can, and I have no were to secure the cans that are being mandated, they will not fit in my garage with my cars. Which will cause an additional cost for me to build some type of bear proof housing it that is even possible.

Another cost will be pine needle collection, that I must do on my quarter acre lot twice a year. Which is mandated by the city under the guise of fire fuel reduction, this equates to 30 bags of pine needle twice a year and takes me 2 days, The refuse company is mandating we use one yard waste can. Which holds approximately the compacity equal to 3 bags full of pine needle, and it will be emptied once a week. Or, I will have to rent or buy a trailer to haul the yard waste to the collection station and pay an additional fee to dump it. Or I will need to hire someone to haul the pine needles and yard waste off at 300-1000 dollars twice a year.

Where is this counsel's consideration and concern for the people who live here full time and the costs that are imposed on us. I do not oppose an increase of 3-5% but 11.05% is excessive. And I believe that the refuse company is attempting to pass on the cost to customers for changes THAT ARE NOT MANDATED BY LAW. But, driven by their attempt and desire to control workers' comp costs.

Thank you for time and consideration,

Sheree Pharris

Sheree Pharris

RECEIVED
NOV 2 8 2023
City of South Lake Tahoe
Office of the City Clerk

11-6-23

My name is Jean G. Poland [redacted]
So Lake Tahoe, CA 96150

I am protesting the proposed rate increases.

(Sig.) Jean G. Poland, owner
[redacted]
SLT, CA 96150

Andrew Price
[redacted]
South Lake Tahoe, CA 96150

City Clerk
1901 List Maloff Way
South Lake Tahoe, CA 96150

To Whom It May Concern,

This letter is to protest STRs proposed rate increase set to take effect Jan 2024.

Sincerely,

Andrew Price 10/30/2023

RECEIVED
NOV 07 2023
City of South Lake Tahoe
Office of the City Clerk

[redacted]
South Lake Tahoe, CA 96150

RECEIVED
NOV 2 8 2023
City of South Lake Tahoe
Office of the City Clerk

November 8, 2023

To Whom It May Concern,

I am writing in protest of the cities proposed residental waste rate increases.

I have two properties that is increase will impact. This increase of 11.05% is OUTRAGEOUS!

My properties are:

[redacted], South Lake Tahoe, CA 96150
parcel # [redacted]
So.Tahoe Refuse Acct. [redacted]

and

[redacted], South Lake Tahoe, CA 96150
parcel # [redacted]
So. Tahoe Refuse Acct [redacted]

Cordially,

Robbyn Lee Kelly

Paulette Satterley
[redacted]
Rancho Murieta, CA 95683

[redacted]

11/1/2023

To City of South Tahoe / City Clerk

Re: Protest of residential + commercial solid waste rates

My property address in South Lake Tahoe is:

[redacted], SLT 96150

I am protesting the proposed rate increase of 11.05 as proposed in the table for 2024 in your notice sent to me.

Thank you

Paulette Satterley

email: [redacted]@[redacted]

text: [redacted]

RECEIVED
06 2023
City of South Lake Tahoe
Office of the City Clerk

November 2,2023

City Clerk, City of South Lake Tahoe

1901 Lisa Maloff Way

South Lake Tahoe, CA 96150

My name is Annette Schoonover.

I own the property at [redacted], South Lake Tahoe, CA 96150

I **OPPOSE** the proposed rate increase by South Tahoe Refuse and with this notice ask for it to be rejected.

Respectfully,

Annette Schoonover

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

11/9/23

RECEIVED
NOV 28 2023
City of South Lake Tahoe
Office of the City Clerk

We are protesting the proposed solid waste rate increase.

JAMES P SHEEHAN JOYCE A. MAJOR

[redacted]

James P. Sheehan Joyce A. Major

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96105

RECEIVED
NOV 2 8 2023
City of South Lake Tahoe
Office of the City Clerk

Dear City Clerk,

We are protesting the proposed solid waste rate adjustments.

Charging for bins that we will not use after purchasing an expensive bear box is ridiculous!

The city needs to get an exemption from the State. This will not work with wildlife and snow.

Stand up for common sense!!!

Mark and Linda Sheldone
[redacted]
South Lake Tahoe, CA 96150

Linda Sheldone
Mark Sheldone

11/1/2023

RECEIVED

NOV 2 8 2023

City of South Lake Tahoe
Office of the City Clerk

ATTN: City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

RE: Protest of Proposed Solid Waste Rates

My name is Julie Michele Smith and I am the owner of [redacted], South Lake Tahoe, CA 96150.

I am protesting the proposed rate increase.

I have heard from members of the waste management office that they are skeptical that the new bins will be successful. We have seen record increase in every other utility. I am skeptical that the state mandate for these automated bins will be successful, particularly with the heavy snow and bears. My concern is that this will be the first in a series of drastic increases as the reality of waste collection in Tahoe is realized, and the homeowners will have to pay for those bad decisions.

Sincerely,

Signature: _____
Julie Michele Smith

Dec 2, 2023

TO: City Clerk: I protest the proposed rate increase for residential solid waste collection as detailed in a copy of Your enclosed notice

James Tamagni [redacted]

South Lake Tahoe, CA

RECEIVED

DEC 04 2023

City of South Lake Tahoe
Office of the City Clerk

November 2, 2023

RECEIVED
NOV 06 2023
City of South Lake Tahoe
Office of the City Clerk

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Dear City Clerk:

I am protesting the proposed solid waste rate increases for South Lake Tahoe. My address of service is [redacted], South Lake Tahoe, CA 96160.

Sincerely,

Rosemarie Trettenero

442

Donna Tyree
[redacted]
South Lake Tahoe CA
96150

RECEIVED
NOV 2 8 2023
City of South Lake Tahoe
Office of the City Clerk

I am writing to protest the increase of waste rates.

I have owned a lovely small cabin on West Way for 52 years. I am 80 years young and enjoy Lake Tahoe every summer.

A few years back you told me to get a bear box and I complied. I pay your bills on time and in full. I am at the cabin only late June to or through September. I do not need a raise! Should have summer rates

Thank You Donna Tyree

Nov. 25th, 2023

Dear City Clerk of South Lake Tahoe,

We are homeowners at [redacted] near Sierra Blvd. We have received a letter recently f/ the City of SLT alerting us to some proposed rate adjustments for solid waste disposal.

We are a double income family with no kids and a dalmatian. We understand that prices sometimes do go up. However, we are concerned about the proposed 11.05% increase in our waste disposal fees. We are concerned that in addition to that change, there are also now several fees for bulky items, return for service, overfilled trash carts. In our mind the fees should be limited to one or the other, but not both.

In summation, we are grateful for our waste disposal services in our town, but we heartily protest the rate increase of 11.05%.

Thankfully, Lauralyn & Dustin Vineyard

Address: Lauralyn & Dustin Vineyard
[redacted]
So. Lake Tahoe, CA 96150

& D. V.

December 4, 2023

RECEIVED

DEC 07 2023

City of South Lake Tahoe
Office of the City Clerk

City Clerk
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

RE: Proposed rate increase for waste collection at service address: [redacted] South Lake Tahoe

This is a protest notice for the proposed solid waste rate adjustments held at public hearing on December 12, 2023.

As property owner, we are submitting a formal protest against the proposed rate increase of 11.05% for 2024.

Sincerely,

Christopher and Susan Volkamer

RECEIVED
NOV 13 2023
City of South Lake Tahoe
Office of the City Clerk

To Whom it my Concern,

I protest the rate increase for collection and disposal service at [redacted] in South Lake Tahoe.

My husband Robert Youngmark will be 88 years old December 30-2023. I am 77 years old. We have only visited our 2nd home in South Lake Tahoe once in the past year. We always bring our garbage home. I feel it is unfair for us to pay for garbage at all. Is there a senior rate? Thank You

Karen Youngmark

[redacted]

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 14

Agenda Item: Amendments to Cannabis Ordinance, Public Safety License Ordinance, and Clean Indoor Air Ordinance Regarding On-Site Consumption, Medicinal Delivery, and to Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries

Executive Summary: At the City Council meeting on August 8, 2023, Councilmember John Friedrich requested that the issue of on-site consumption be brought back to City Council for discussion, which was seconded by Councilmember Tamara Wallace. On September 26, 2023, the Planning Commission adopted Resolution No. 2023-015, recommending to City Council amend the Cannabis Ordinance to allow on-site consumption at permitted retailers and microbusinesses with a retail component. Two versions of an ordinance amending the South Lake Tahoe City Code are included for Council consideration: Version 1 allowing on-site consumption at cannabis retailers, and Version 2 continuing to prohibit on-site consumption but making other changes necessary because of changes in state law and circumstances. This item was continued from the meeting on November 21, 2023.

Requested Action / Suggested Motions: Pass a Motion to hold a first reading (by title only) of Version 1 (allowing on-site consumption) or Version 2 (continuing to prohibit on-site consumption) and refer second reading to January 9, 2024, of an Ordinance amending the following sections of the South Lake Tahoe City Code: (1) Article X of Chapter 6.55 (Cannabis Regulations) Regarding On-Site Consumption at Cannabis Retailers, Medicinal Delivery, and to Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries; (2) Chapter 4.180 (Cannabis Public Safety License Ordinance) Regarding On-Site Consumption at Cannabis Retailers and Curbside Delivery; and (3) Chapter 4.100 (Clean Indoor Air and Health Protection) Regarding On-Site Consumption at Cannabis Retailers and to Comply with Changes in State Law on Smoking in Workplaces.

Responsible Staff Member: Heather Stroud, City Attorney

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Director of Finance

Attachments:

01 - Staff Report - Cannabis Ordinance.docx
02 - Ordinance Amending Cannabis Regulations - Version 1 Allowing On-Site Consumption.docx
03 - Clean Indoor Air Ordinance Redline Version 1.pdf
04 - Public Safety License Ordinance Redline Version 1.pdf
05 - Cannabis Ordinance Redline Version 1.pdf
06 - Ordinance Amending Cannabis Regulations - Version 2.docx
07 - Clean Indoor Air Ordinance Redline Version 2.pdf
08 - Public Safety License Ordinance Redline Version 2.pdf
09 - Cannabis Ordinance Redline Version 2.pdf
10 - 2023 South Lake Tahoe Scorecard from Public Health Institute.pdf
12-Notice of Public Hearing 11 21 2023.pdf
11- Planning Commission Res 2023-015.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: Amendments to Cannabis Ordinance, Public Safety License Ordinance, and Clean Indoor Air Ordinance Regarding On-Site Consumption, Medicinal Delivery, and to Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries

Location: Citywide

Responsible Staff Member: Heather L. Stroud, City Attorney (530) 542-6046

Background:
On February 19, 2019, City Council adopted Ordinance No. 2019-1126 ("Cannabis Ordinance"), which regulates cannabis businesses in order to ensure the health, safety, and welfare of the residents of and visitors to the City of South Lake Tahoe. Since that time, the City has issued Cannabis Use Permits, Public Safety Licenses, and Development Agreements to five cannabis businesses to operate in the City, in addition to the existing dispensary (Tahoe Wellness Center). Currently, there are three permitted retailers with delivery: Embarc Tahoe, Cannablue, and Tahoe Green, and one microbusiness permitted: Tahoe Wellness Center. The City Council terminated former microbusiness Perfect Union SLT's Development Agreement and Cannabis Use Permit on June 15, 2021, and microbusiness Redefining Organics has ceased operations and failed to renew their Public Safety License by the deadline November 9, 2023, which resulted in the automatic termination of its cannabis use permit under South Lake Tahoe City Code section 6.55.780(D).

At the City Council meeting on August 8, 2023, Councilmember John Friedrich requested that the issue of on-site consumption be brought back to City Council for discussion, which was seconded by Councilmember Tamara Wallace. On September 26, 2023, the Planning Commission adopted Resolution No. 2023-015, recommending to City Council amend the Cannabis Ordinance to allow on-site consumption at permitted retailers and microbusinesses with a retail component. This item was continued from the City Council meeting on November 21, 2023.

Issue and Discussion:
During last year's discussion, City Council members expressed some concern about allowing on-site consumption at that time as there were not robust alternative transportation options available for customers who may become impaired, and there were no measurable limits for testing cannabis impairment while driving, unlike alcohol. Because the full City Council has not yet provided direction on whether on-site consumption is supported at this time, two versions of the ordinance are included for consideration: one allowing on-site consumption (Version 1) and one continuing to prohibit it (Version 2). If Version 1 of the ordinance is selected, then amendments to other parts of the South Lake Tahoe City Code would be required, including the Public Safety License Ordinance (Chapter 4.180) and Clean Indoor Air and Health Protection (Chapter 4.100).

Identical updates are included in both Version 1 and Version 2 of the ordinance to reflect changes in state law regarding medical cannabis delivery (Senate Bill 1186), and clean-up changes to remove the development agreement requirement because of passage of the cannabis tax with Measure G and to remove the provision for existing medical cannabis dispensaries which is no longer applicable.

On-Site Consumption

Several of the retail businesses have indicated interest in pursuing on-site consumption. During stakeholder meetings held in 2021, stakeholders generally did not have concerns. Some of the stakeholders who work with children were in favor of allowing on-site consumption because it would allow parents a safe space to consume cannabis outside of the home. Another benefit would be to provide an alternative to reduce illegal consumption in public and reduce smoking or vaping by visitors in hotel rooms. The main concern with on-site consumption expressed would be customers leaving after consuming cannabis products and driving while impaired.

If permitted by the local jurisdiction, on-site consumption is allowed under state law (Business & Professions Code section 26200(g)) in accordance with the following requirements:

- Must have state license as cannabis retailer or microbusiness with retail component
- Access restricted to customers age 21 and up
- No alcohol or tobacco may be sold or consumed on premises
- Consumption of cannabis cannot be visible from a public place or non-restricted area

Cities in California that have allowed on-site consumption include West Hollywood, Eureka, Desert Hot Springs, Coachella, Palm Springs, San Francisco, Berkeley, Oakland, and National City. Jurisdictions that are considering allowing on-site consumption but have not yet authorized it include Sacramento, which currently has a City Council subcommittee considering a pilot program that has not yet been considered by the full Council, Washoe County, Nevada, where the County Commissioners voted in July 2023 to not allow on-site consumption at this time because of public safety concerns about impaired driving, and Reno, which has put its discussion of permitting on-site consumption lounges on hold as of February 2023 because there are no more Nevada state licenses for this business type available.

Version 1 of the proposed ordinance includes the following provision recommended by City Council:

- Permitted retailers and microbusinesses with a retail component may apply to add an on-site consumption lounge indoors within their existing retail cannabis business footprint by applying to amend their Public Safety License.
- Permitted retailers and microbusinesses with retail component may apply to add an on-site consumption lounge expanding the existing retail cannabis business footprint by applying to amend their Cannabis Use Permit, in addition to amending their Public Safety License as described above.

- The related changes to the Public Safety License Ordinance (Chapter 4.180) include the following provisions as recommended by City Council in 2022:
    - Hours of operation limited to end by 2:00am (consistent with closing time for bars), with sales to end by 10:00pm as required by state law

    - Ventilation plan designed to prevent flow of smoke to all other areas of retail establishment and neighboring businesses and properties
    - Plan for adequate security and lighting to protect safety of patrons
    - Measures to prevent loitering in outdoor areas including parking lot
    - Employee of cannabis business must be present in consumption area at all times
    - Employee training on assisting customers to avoid overconsumption of edibles required
    - Applicants required to cut off service to impaired patrons and provide option for safe ride home for customers such as shuttle, taxi, or ride-share service
- Opened and unfinished cannabis products must be securely repackaged before leaving the site
- Cannabis products ingested, smoked, or vaped in consumption lounges must be purchased on-site
- Consumption lounge must be a separate indoor space, or separate outdoor space not visible to the public and situated and ventilated to prevent odors perceptible to neighboring properties, with separate entrance from retail store
- Additionally, an amendment is proposed to the Public Safety License ordinance to permanently allow curbside delivery at retailers, which was first allowed as an emergency measure during the Covid pandemic. State law has since been amended to permanently allow curbside delivery.

- Related changes to the Clean Indoor Air and Health Protection Ordinance (Chapter 4.100) are required to allow smoking at permitted cannabis retailers in a consumption lounge which is physically separated from the rest of the premises, in compliance with state law. Additional updates to this ordinance for consistency with current state law on smoking in workplaces is included.

Medicinal Cannabis Delivery

In 2022, the Legislature passed Senate Bill 1186 (The Medicinal Cannabis Patients' Right of Access Act), which effective January 1, 2024, prohibits cities from adopting or enforcing any regulation that directly or indirectly prohibits retail delivery of medicinal cannabis to patients or caregivers. Specifically, SB 1186 prohibits regulations that limit the number of businesses authorized to deliver medicinal cannabis in the city, limits the operating hours of medicinal cannabis businesses, limits the number or frequency of medicinal cannabis sales by delivery, limits the types or quantities of medicinal cannabis, or requires the establishment of a physical premises within the city. Both versions of the Cannabis Ordinance contain exemptions from the cannabis business requirements applicable to medicinal cannabis delivery in accordance SB 1186. A Public Safety License would still be required for any cannabis retailer from outside the city conducting delivery of medicinal cannabis within the city.

Measure G / Development Agreements

Measure G passed in the November 2022 election, establishing a cannabis business and professions tax. Because of the passage of this ballot measure, the community benefit fee collected through development agreements is now offset by the amount of the tax. The current development agreements will remain in place until their terms expire in 2024-2025, but the proposed changes would remove the development agreement requirement for any new cannabis business, should City Council elect to reopen the competitive process for any open permit types. Both versions of the Cannabis Ordinance remove the development agreement provisions.

Existing Medical Marijuana Dispensaries

Additionally, both versions of the ordinance remove Section 6.55.840 (Existing permitted medical marijuana dispensaries) and references to this section because it is no longer needed. The only cannabis business that was subject to this provision, Tahoe Wellness Center, received a cannabis use permit in 2022 and is now operating under the same regulatory framework as the other cannabis businesses. It is important to note that currently, Tahoe Wellness Center is not counted towards the cap of four retailers (or microbusiness with retailer component) authorized to operate in the city based on Subsection 6.55.740(A)(9). If this provision is removed as proposed, then Tahoe Wellness Center would be counted towards the cap, and there would be no additional retail licenses available since four are currently operating. Staff does not recommend increasing the number of retail licenses at this time.

Financial Implications:
The proposed amendments to the Cannabis Ordinance could result in additional revenue to the City if they result in additional business activities, in the form of additional cannabis business and professions taxes collected.

Environmental Considerations:
Both versions of the proposed ordinance would allow for additional or expanded cannabis business activities, however it does not change the intensity or density of cannabis business uses beyond what is currently allowed in Table 6.55.740. The proposed ordinance is consistent with the 2030 General Plan policies. The 2030 General Plan Environmental Impact Report (EIR) adequately addresses the potential environmental impacts of the proposed ordinance. The General Plan EIR is available on the City website at: https://www.cityofslt.us/575/General-Plan. No further environmental analysis is required under California Environmental Quality Act (CEQA) Guidelines section 15162 because the proposed ordinance is within the scope of the previous EIR and there are no substantial changes to the project or the circumstances that require major revisions to the previous EIR due to new significant environmental effects not discussed in the previous EIR, significant effects previously examined that would be more severe, or mitigation measures or alternatives previously found not to be feasible that would substantially reduce one or more significant effects.

Policy Implications:
Applicable General Plan policies include:

Policy LU-5.1: Locally Serving Commercial
The City shall ensure that commercial uses are responsive to the needs and wishes of the community and encourage users to shop locally, which will reduce Vehicle Miles Traveled (VMT) from purchasing items outside the Lake Tahoe Basin.

Policy ED-1.1: High-Tech and Environmentally-Sustainable Business
The City shall support programs and activities that promote business/job retention, expansion, and new business/job development including high-tech and environmentally-sustainable businesses.

Policy ED-1.7: Year-Round Community
The City shall provide economic incentives and regulatory reform that support an economically diverse and prosperous year-round community for city residents and visitors alike.

Ordinance 2024-XXX

Adopted by the City of South Lake Tahoe City Council

January 9, 2024

An Ordinance Amending the South Lake Tahoe City Code Chapter 6.55, Article X (Cannabis Regulations), Chapter 4.180 (Cannabis Public Safety License Ordinance), and Chapter 4.100 (Clean Indoor Air and Health Protection) to Allow On-Site Consumption at Cannabis Retailers, Allow Curbside Delivery, Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries, and to Comply with Changes in State Law Regarding Smoking in Workplaces

FINDINGS

A. On February 5, 2019, the City Council adopted Ordinance No. 2019-1126 ("Cannabis Ordinance"), which regulates cannabis businesses in order to ensure the health, safety, and welfare of the residents of and visitors to the City of South Lake Tahoe.

B. On February 10, 2022, the Planning Commission conducted a public hearing to consider amendments to the Cannabis Ordinance, and adopted Resolution No. 2022-001 recommending that the City Council adopt an ordinance amending Article X of Chapter 6.55 (Cannabis Regulations) of the South Lake Tahoe City Code to allow on-site consumption and make other changes.

C. On March 15, 2022, the City Council voted instead to adopt a version of the ordinance to continue to prohibit on-site consumption, but included the other changes recommended by the Planning Commission, including allowing permittees to hold multiple non-retail permits and increasing the maximum canopy size for cultivators to 22,000 square feet.

D. At the City Council meeting on August 8, 2023, Councilmember John Friedrich requested that the issue of on-site consumption be brought back to City Council for discussion, which was seconded by Councilmember Tamara Wallace.

E. In 2022, the California Legislature adopted Senate Bill 1186 (The Medicinal Cannabis Patients' Right of Access Act), which effective January 1, 2024, prohibits cities from adopting or enforcing any regulation that directly or indirectly prohibits retail delivery of medicinal cannabis to patients or caregivers, and the proposed ordinance is consistent with SB 1186.

F. Measure G passed in the November 2022 election, establishing a cannabis business and professions tax that is intended to take the place of the community benefit fee contained in development agreements. While the current development agreements will remain in place until their terms expire in 2024-2025, the proposed ordinance would remove the development agreement requirement for any new cannabis business that becomes licensed at a later date.

G. The only business that was subject to Section 6.55.840 (Existing permitted medical marijuana dispensaries), Tahoe Wellness Center, received a cannabis use permit in 2022 and is now operating under the same regulatory framework as the other cannabis businesses such that this provision is no longer needed, and the proposed ordinance would delete it and other references to it.

H. The City allowed curbside delivery during the Covid pandemic under an emergency order without issue, and since then, the Department of Cannabis Control has amended its regulations to permanently allow curbside delivery under 4 Cal. Code Regulations section 15402(d).

I. Under Labor Code section 6404.5, smoking is generally prohibited in workplaces statewide, requiring amendments to the City's Clean Indoor Air and Health Protection Ordinance which has a number of exceptions that are no longer allowed under state law. Notwithstanding Labor Code section 6405.5, Business and Professions Code section 26200(g) allows local jurisdictions to allow for the smoking, vaporizing, and ingesting of cannabis and cannabis products on the premises of a licensed cannabis retailer or microbusiness with a retailer component with certain operational requirements that are set forth in this Ordinance.

J. In accordance with Government Code section 65853, the Planning Commission reviewed and considered the amendments to the zoning and use regulations in Title 6 of the South Lake Tahoe City Code at a duly noticed public hearing and made a recommendation to City Council by adopting Resolution No. 2023-015.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. Chapter 4.100 (Clean Indoor Air and Health Protection) of the South Lake Tahoe City Code is amended to read in its entirety as follows:

Chapter 4.100

CLEAN AIR AND HEALTH PROTECTION

Sections:

4.100.010 Purposes.
4.100.020 Authority.
4.100.030 Definitions.
4.100.040 Smoking prohibitions – Public places.
4.100.050 Places where smoking is permissible.
4.100.060 Violation and penalties.

4.100.010 Purposes.

The U.S. Environmental Protection Agency (EPA) has determined that tobacco smoke is a major source of indoor air pollution and the Surgeon General's 1986 report on the health consequences of involuntary smoking concludes that exposure to tobacco smoke places healthy nonsmokers at increased risk for developing lung cancer. Other health hazards of involuntary smoking include respiratory infection, decreased exercise tolerance, decreased respiratory function, bronchoconstriction, and bronchospasm. While all members of the population are truly at increased

risk due to exposure to sidestream tobacco smoke, it constitutes a special health hazard for children, the elderly and people with chronic lung disorders.

The Surgeon General labels smoking “the largest single preventable cause of death and disability for the U.S. population.”

More than 80 percent of El Dorado County residents are nonsmokers, and the number of nonsmokers is steadily increasing. Opinion surveys show that a majority of both nonsmokers and smokers favor restrictions on smoking in public places.

Air pollution caused by smoking is an offensive annoyance and irritant. Smoking results in serious and significant physical discomforts of nonsmokers, and constitutes a public nuisance in public places.

This chapter attempts to find a compromise that allows smokers to smoke, and others to breathe smoke-free air.

Health and Safety Code section 11362.3 prohibits smoking cannabis or cannabis products in a public place and in a location where smoking tobacco is prohibited.

This chapter is not to be interpreted as requiring any establishment to provide a smoking area.

4.100.020 Authority.
This chapter is enacted pursuant to Health and Safety Code section 118910 for the purpose of restricting and regulating smoking in public places in order to reduce the hazards and nuisances which smoking causes to those who are involuntarily exposed.

4.100.030 Definitions.
As used in this chapter, the words and phrases shall have the following meanings:

A. “On-site consumption lounge” means a facility operating with a city-issued public safety license and cannabis use permit where cannabis and cannabis products may be smoked, vaped, or ingested within the confines of the facility.

B. “Person” means any natural person, partnership, corporation, unincorporated association, joint venture, business trust, joint stock company, club, or other organization of any kind.

C. “Smoking” means inhaling, exhaling, burning, or carrying any lighted or heated pipe, cigar, cigarette, or any other lighted or heated tobacco or plant product intended for inhalation, in any manner or in any form. Smoking includes the use of an electronic smoking device that creates an aerosol or a vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking.

D. “Tobacco shop” means any business establishment, the main purpose of which is the sale of tobacco products, including, but not limited to, cigars, pipe tobacco, and smoking accessories.

4.100.040 Smoking prohibitions – Public places.
Except as specifically provided, it is unlawful for any other person to smoke in the public places named and described in subsections (A) through (C) of this section, inclusive, and other public places similarly situated, including but not limited to the following areas:

A. Outdoor public recreation areas owned, operated, or maintained by the city, including parks and beaches as defined in SLTCC 8.05.010, golf courses, and campgrounds;

B. Parking lots, parking structures, and parking areas owned, operated, or maintained by the city; and

C. Other places in which members of the general public congregate or otherwise frequent.

4.100.050 Places where smoking is permissible.
Smoking may be permitted in all locations where smoking is not prohibited by this chapter, including the following locations:

A. Residential units, including those which are used for home occupations under the provisions of SLTCC 6.55.280; provided, however, that this exemption shall not authorize smoking in any day care or child care facility.

B. On-site consumption lounges as applied to smoking of cannabis and cannabis products only.

C. Areas where smoking is permitted within certain workplace areas under Labor Code section 6404.5, as may be amended.

It shall not constitute a violation of SLTCC 4.100.040 for a person to smoke in a location where smoking has been authorized in the manner prescribed by this section.

4.100.060 Violation and penalties – Smoking or posting.
Any person who violates the prohibitions contained in SLTCC 4.100.040 shall be guilty of an infraction, punishable in the manner hereinafter prescribed:

A. A fine not exceeding $100.00 for a first violation.

B. A fine not exceeding $200.00 for a second violation of this chapter within one year.

C. A fine not exceeding $500.00 for each additional violation of this chapter within one year.

SECTION 2. Chapter 4.180 (Cannabis Public Safety License Ordinance) of the South Lake Tahoe City Code is amended to read in its entirety as follows:

Chapter 4.180

CANNABIS PUBLIC SAFETY LICENSE ORDINANCE

Section:
4.180.010 Purpose and intent.
4.180.020 Definitions.
4.180.030 Cannabis businesses – General provisions.
4.180.040 Cannabis public safety license – General provisions.
4.180.050 Public safety license and public safety license renewal – Approval and denial.
4.180.060 Expiration and renewal of cannabis public safety licenses.
4.180.070 Suspension and revocation by chief of police.
4.180.080 No vested rights.

4.180.010 Purpose and intent.
It is the purpose and intent of this chapter to establish a cannabis public safety license and the procedures for issuance of said license. A cannabis public safety license shall be required as a condition for the continued operation of any cannabis business as set forth in this chapter. The

regulations in this chapter are meant to ensure the health, safety, and welfare of the residents of the city of South Lake Tahoe. Cannabis businesses within the city must comply with all provisions of the South Lake Tahoe City Code for obtaining permits and licenses for a cannabis business and must comply with the state cannabis laws and all other applicable local and state laws. Nothing in this chapter permits activities that are otherwise illegal under state or local laws.

4.180.020 Definitions.
As used in this chapter:

“Applicant” means any person who is required to file an application for issuance of a cannabis public safety license to operate a cannabis business under this chapter, including without limitation an individual owner, operator, or agent of a cannabis business.

“Application for renewal” shall mean an application for a renewed cannabis public safety license, which application may be submitted by a licensee.

“Cannabis” shall have the meaning set forth in Cal. Bus. & Prof. Code § 26001(f) and as subsequently amended.

“Cannabis business” shall include:

a. Any business, facility, use, establishment, property, or location, whether fixed or mobile, where a commercial cannabis activity takes place.

b. Any building, facility, use, establishment, property, or location where any person or entity establishes, commences, engages in, conducts, or carries on, or permits another person or entity to establish, commence, engage in, conduct, or carry on, any activity that requires a state license under Cal. Bus. & Prof. Code § 26000 and following, including but not limited to cannabis cultivation, cannabis distribution, cannabis manufacturing, cannabis testing and cannabis retail sales, and the operation of a cannabis microbusiness.

“Cannabis products” shall have the meaning set forth in Cal. Bus. & Prof. Code § 26001(k) and as subsequently amended.

“Cannabis use permit” shall mean a use permit issued for the operation of a cannabis business pursuant to Article X of Chapter 6.55 SLTCC.

“Commercial cannabis activity” shall include the cultivation, possession, manufacturing, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products, or acting as a cannabis event organizer for temporary cannabis events.

“Cultivation” shall mean any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

“Curbside delivery” shall mean a sale of cannabis or cannabis products from a licensed retail storefront or licensed microbusiness with retailer component that is delivered to a customer in their vehicle parked immediately outside the retail or microbusiness premises.

“Licensee” shall mean the cannabis business owner identified to the city as such, and to whom a city cannabis public safety license has been issued.

“Operator” shall mean any person responsible for management of the cannabis business; any person listed as an officer, director, manager, or member in statement of information filed with the Secretary of State for a cannabis business; any person listed in a governing document for a cannabis business,

such as bylaws, articles of incorporation, or operating agreement; any person owning an interest in the cannabis business, unless the interest is solely a security, lien, or encumbrance; and any person that supervises an employee of the cannabis business.

“Owner” shall have that meaning set forth in Cal. Bus. & Prof. Code § 26001(ap) and as it may be amended.

“Permittee” shall mean any person issued a cannabis use permit under Article X of Chapter 6.55 SLTCC.

“Police chief” shall mean the chief of the city of South Lake Tahoe police department.

“Property” shall mean the designated structure or structures and land specified in the cannabis use permit application that is owned, leased or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

“State cannabis laws” means and includes Cal. Health & Safety Code §§ 11362.1 through 11362.45; Cal. Health & Safety Code § 11362.5 (Compassionate Use Act of 1996); Cal. Health & Safety Code §§ 11362.7 through 11362.83 (Medical Marijuana Program); Cal. Bus. & Prof. Code § 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”)); all state laws enacted or amended pursuant to SB-94, Chapter 27, Statutes of 2017; the California Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; Cal. Labor Code § 147.5; Cal. Rev. & Tax. Code §§ 34010 through 34021.5; Cal. Fish and Game Code § 12029; Cal. Water Code § 13276; all state regulations adopted by the Department of Cannabis Control; any license issued by the Department of Cannabis Control; and all other applicable laws of the state of California regulating cannabis or cannabis products.

“State license” shall mean a license from the Department of Cannabis Control issued pursuant to Division 10 of the Cal. Bus. & Prof. Code.

4.180.030 Cannabis businesses – General provisions.

A. Cannabis Use Permit and Public Safety License Required to Operate. It shall be unlawful for any person to engage in, to conduct or carry on (or to permit to be engaged in, conducted or carried on) in or upon property located within the city the operation of a cannabis business unless that person has first obtained and continues to maintain in full force and effect a valid cannabis use permit issued by the city for that property and that type of cannabis business and a valid cannabis public safety license issued by the city to the owner and/or operator of the cannabis business, pursuant to this chapter.

B. Imposition of Public Safety License Fees.

1. Every application for a cannabis public safety license or renewal of such license shall be accompanied by a license fee in an amount set forth by separate resolution of the city council, which amount is calculated to recover the city’s full cost of reviewing, issuing and administering said license. The application fee shall include the standard city fees for fingerprinting, photographing, and background check costs and shall be in addition to any other business license fee or permit fee imposed by this code or other governmental agencies.

2. A fee for renewal of a public safety license will be due annually.

C. Conditions of Operation.

1. Security Plan. A licensee shall provide adequate security on the premises of the cannabis business. The following minimum security standards shall be maintained at all times:

    a. Surveillance System.

        i. Each cannabis business shall be monitored at all times by a digital closed-circuit television surveillance system. Surveillance systems shall meet any applicable state law requirements, including those set forth in Title 4 of the California Code of Regulations § 15044, and any subsequently enacted regulation. The camera and video recording surveillance system must be capable of providing surveillance of both interior and exterior areas of the cannabis business and must be of adequate quality, color rendition and resolution to allow the ready identification of an individual on or adjacent to the property. The recordings shall be maintained at the cannabis business or other location accessible to the police department for a period of not less than ninety (90) days.

        ii. A sign shall be posted inside and at the entrances to the establishment indicating that the premises are under camera/video surveillance.

        iii. The surveillance system recordings shall be maintained in such manner as to allow remote access by the police department. The police chief may request that the permittee provide secured electronic access to video feeds of the surveillance system in real time, to be provided via an online portal or through other software deemed acceptable to the police chief.

    b. Loitering Adjacent to a Cannabis Business. Licensees shall take reasonable measures to reduce loitering by cannabis business members, patrons, guests and invitees in public areas, sidewalks, alleys and areas surrounding the property and adjacent premises during the business hours of the cannabis business.

    c. Identification Verification System. Each cannabis business shall require identification upon entry to the cannabis business and shall implement electronic verification of identification provided to ensure that applicable age restrictions in SLTCC 6.55.800(A)(5) are complied with.

    d. On-Site Consumption. If a retail cannabis business or a microbusiness with a retailer component includes an on-site consumption area, adequate security and lighting shall be provided for the on-site consumption area to protect the safety of patrons and protect the premises from theft.

    e. Curbside Delivery. Curbside delivery of cannabis or cannabis products must occur under video surveillance that meets the requirements of SLTCC 4.180.030(C)(1)(a)(i) for recording point-of-sale areas. Retail employees engaging in curbside delivery must verify each customer’s age and identity.

2. Nuisances Prohibited. A licensee shall take reasonable steps to correct objectionable conditions that constitute a nuisance on any public sidewalk or public space abutting the cannabis business premises.

    a. For purposes of this section, “objectionable conditions that constitute a nuisance” means public consumption of cannabis or cannabis products, disturbance of the peace, drug trafficking, disposing of litter or trash, or excessive loud noise.

b. For purposes of this section, “reasonable steps” means all of the following:

i. Calling the local law enforcement agency. Timely calls to the local law enforcement agency that are placed by the licensee, or his or her agents or employees, shall not be construed as evidence of objectionable conditions that constitute a nuisance.

ii. Requesting those persons engaging in activities causing objectionable conditions to cease those activities, unless the licensee, or his or her agents or employees, feels that their personal safety would be threatened in making that request.

iii. Making good faith efforts to remove items that facilitate loitering, such as furniture, except those structures approved or permitted by the local jurisdiction. The licensee shall not be liable for the removal of those items that facilitate loitering.

3. On-site Consumption Operations. A licensee with an on-site consumption area shall maintain the following operating conditions, in addition to the operating conditions in this Subsection C, at all times:

a. No person under 21 years of age shall be allowed in the on-site consumption area. Employees shall notify patrons verbally and through posting of a conspicuous sign that entry into the premises by persons under the age of 21 is prohibited.

b. Hours of operating for cannabis sales shall be limited to 6:00am to 10:00pm, and hours of operation in the on-site consumption area shall end no later than 2:00am, or as further limited by the cannabis use permit.

c. The licensee shall implement a ventilation plan to prevent the flow of smoke to all other areas of the cannabis business and neighboring businesses and properties, such that odor generated is not detected outside the consumption area.

d. The licensee shall provide employee training on how to assist customers to avoid overconsumption of edibles. This training must include information about various products the consumption area sells, such as potency, absorption time, and effects.

e. A responsible employee of the cannabis business must be present in the on-site consumption area at all times when it is open to customers.

f. Cannabis products ingested, smoked, or vaped in an on-site consumption area must be purchased on-site.

g. An employee of the cannabis business must securely repackage a customer’s opened and unfinished cannabis products before the customer leaves the on-site consumption area.

h. The sale or consumption of alcohol or tobacco products is not allowed on the premises.

i. A licensee allowing smoking or vaping shall comply with SLTCC 4.100 (Clean Air and Health Protection).

j. Employees must cut off service to impaired customers and provide an option for a safe ride home, such as a shuttle, taxi, or ride-share service.

4. State License Required to Operate. Operation of a cannabis business shall not commence until a licensee has obtained a valid state license. Licensees shall maintain a valid state license at all times during operation of a cannabis business.

D. Inspection of Cannabis Business.

1. City officials may enter and inspect, investigate, audit, or review any licensee's cannabis business, without prior notice, to ensure compliance and enforcement of the provisions of this chapter. An inspection, investigation, review or audit may be conducted at any time that the licensee is exercising privileges under the license or at such time otherwise as agreed to by the police chief and the licensee.

2. No licensee or any other person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this chapter.

3. This subsection shall not be construed to require a licensee to cooperate with a request that would require the licensee to waive any constitutional or statutory privilege or to comply with a request for information or other matters within an unreasonable period of time in light of the time constraints of the licensee's business.

E. Notification to Police Department of Security Breaches. Each licensee shall notify the chief of police immediately after discovering any of the following: diversion, theft, loss, or any criminal activity involving the cannabis business; significant discrepancies identified during inventory; or any other breach of security.

F. Transfer of Cannabis Public Safety Licenses Prohibited. Cannabis public safety licenses issued pursuant to this chapter shall be nontransferable to a different person or entity. Any attempt to transfer or any transfer of ownership or control of a cannabis business shall be grounds for revocation of the cannabis public safety license by the chief of police.

4.180.040 Cannabis public safety license – General provisions.

A. Application Procedures.

1. Public safety license application must be approved prior to the applicant initiating the cannabis use permit application process as set forth more fully in Article X of Chapter 6.55 SLTCC.

2. The city council may set further application procedures and requirements by separate resolution.

B. Application Filing Requirements. A complete cannabis public safety license application or application for renewal or amendment along with all required fees and materials required by this chapter shall be submitted in order for a person, entity, and/or business to be considered for a cannabis public safety license. All cannabis public safety license applications or applications for renewal or amendment shall be filed with the chief of police using forms and authorizations provided by the city.

1. Eligibility for Filing. Public safety license applications and applications for renewal or amendment shall be filed by the owner and/or operator of the cannabis business.

2. Cannabis public safety license applications and applications for renewal or amendment shall include:

a. For each licensee, owner, operator and employee of the cannabis business, a fully legible copy of one valid government-issued form of photo identification, such as a state driver's license or identification card. Acceptable forms of government-issued identification include, but are not limited to, driver's license or photo identity cards issued by the State Department of Motor Vehicles (or equivalent), a passport issued by the United States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents) or a permanent resident card.

b. If the cannabis business is incorporated, a certified copy of the articles of organization, certificate(s) of amendment, bylaws, and statement(s) of information filed with the California Secretary of State for the cannabis business.

c. If the cannabis business is a limited liability company, a certified copy of the articles of organization, certificate(s) of amendment, operating agreement, bylaws, and statement(s) of information filed with the California Secretary of State for the cannabis business.

d. If the cannabis business is an unincorporated association, a copy of the articles of association and any filings made with the California Secretary of State.

e. The name, address, electronic mail address and mobile phone number of the applicant's or licensee's current designated agent for service of process.

f. Emergency Contact. The name, electronic mail address, and mobile phone number of an owner, operator, or manager to act as an on-site community relations staff person to whom the city may provide notice of any operating problems associated with the cannabis business.

g. A statement dated and signed by each applicant, under penalty of perjury, that the applicant has personal knowledge of the information contained in the application, that the information contained therein is true and correct.

3. In addition to a completed public safety license application or application for renewal, applicants or licensees shall provide and submit the following information to the chief of police:

a. The applicant and each owner, operator and employee shall consent to fingerprinting and a criminal background investigation, and shall undergo fingerprinting and a criminal background investigation.

b. Security Plans. Applicants shall provide a plan to provide adequate security on the premises of the cannabis business. The plan shall include standards showing the cannabis business's ability to comply with the conditions of SLTCC 4.180.030(C).

C. Ongoing Filing and Reporting Requirements. Where a cannabis business or licensee replaces, hires, appoints or employs new operators and/or employees to its cannabis business, all such operators and employees shall be required to submit to fingerprinting and a criminal background investigation pursuant to subsection (B)(3) of this section. A cannabis business or licensee has an ongoing obligation to immediately report to the police chief any conviction for an offense listed in SLTCC 4.180.050(A)(3) imposed on an owner, operator and/or employee of the cannabis business or licensee. A cannabis business or licensee shall also have an ongoing obligation to immediately report to the chief of police any of the events listed in SLTCC 4.180.050(A)(4) or (A)(5).

4.180.050 Public safety license issuance, renewal, and amendment – Approval and denial.

A. Criteria for Issuance. Cannabis public safety license applications or applications for renewal or amendment shall be approved where the chief of police confirms that the following criteria have been met:

1. The applicant and each owner, operator and employee of the cannabis business have authorized and completed fingerprinting.

2. The applicant and each owner, operator and employee of the cannabis business have authorized the use of their fingerprinting results to run a state and nationwide criminal background check.

3. The results of the criminal background checks establish that the applicant, owner(s), operator(s), and employees have not been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business.

The following offenses are substantially related to the qualifications, functions, or duties of a cannabis business:

a. A violent felony conviction, as specified in Cal. Penal Code § 667.5(c).

b. A serious felony conviction, as specified in Cal. Penal Code § 1192.7(c).

c. A felony conviction involving fraud, deceit, or embezzlement.

d. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

e. A felony conviction for drug trafficking with enhancements pursuant to Cal. Health & Safety Code § 11370.4 or 11379.8.

f. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.

4. The applicant has not been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for any unauthorized cannabis activities.

5. The applicant has not been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for cultivation or production of a controlled substance on public or private lands.

6. Security Plan. The applicant or licensee has provided a security plan providing the minimum standards set forth in SLTCC 4.180.030(C)(1).

7. Minimum Age. The applicant or licensee, and each owner, operator and employee of the cannabis business, is at least 21 years of age.

B. In addition to the criteria in Subsection A, the chief of police shall approve amendments to cannabis public safety licenses to allow on-site consumption at retailers or microbusinesses

with a retailer component where the chief of police confirms the following criteria have been met:

1. The applicant has provided a site plan that shows the area designated for on-site consumption is physically separated and has a separate secure entrance from the retail storefront, and the area designated for on-site consumption is not visible from a public space and is situated and ventilated to prevent odors perceptible from neighboring properties.

2. If the site plan shows that adding an on-site consumption area will result in expansion of the area for retail use permitted by the cannabis use permit, the planning commission has approved an amendment to the cannabis use permit allowing the enlargement of retail space under SLTCC 6.55.760.

3. The applicant has provided an updated security plan providing the minimum standards set forth in SLTCC 4.180.030(C)(1)(d).

4. The applicant has provided an operations plan providing the minimum standards set forth in SLTCC 4.180.030(C)(3).

C. Criteria for Denial. Cannabis public safety licenses shall not be issued, renewed, or amended where the chief of police confirms that one or more of the criteria set forth in subsection (A) or (B) of this section have not been met. If the chief of police denies the cannabis public safety license application or application for renewal or amendment, he or she shall specify in writing the reasons for the denial of the application or application for renewal, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to subsection (D) of this section.

D. Appeal from Chief of Police Determination. An applicant who disagrees with the chief of police's decision to approve or deny a cannabis public safety license application or application for renewal or amendment may appeal the decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC, Administrative Appeals.

4.180.060 Expiration and renewal of cannabis public safety licenses.

A. Cannabis public safety licenses shall expire one year after their issuance.

B. Cannabis public safety licenses must be renewed on an annual basis prior to expiration by filing with the chief of police an application for renewal and a renewal fee in an amount set forth by separate resolution of the city council, which amount is calculated to recover the city's full cost of reviewing, issuing and administering said license.

C. The application for renewal and the renewal fee shall be filed at least 30 days, but not more than 60 days, prior to the expiration of the public safety license. If a timely renewal application is filed, the licensee's cannabis public safety license shall not expire until the date that the chief of police approves or denies the public safety license application for renewal.

D. An application for renewal shall be subject to all filing requirements set forth in SLTCC 4.180.040(B) and (C).

E. The chief of police shall issue or deny an application for renewal in accordance with the provisions of SLTCC 4.180.050.

4.180.070 Suspension and revocation by chief of police.

A. A cannabis public safety license issued under the terms of this chapter shall be suspended or revoked by the chief of police if he or she concludes any of the following:

1. The cannabis business or licensee has violated any of the requirements of this chapter.

2. The cannabis business is being operated in a manner which violates the security plan required by this chapter.

3. The cannabis business is being operated in a manner which constitutes a nuisance.

4. The cannabis business has failed to comply with the conditions of operation set forth in SLTCC 4.180.030(C).

5. The cannabis business has ceased to operate for 30 days or more.

6. Results of a criminal background check establish that a licensee, owner(s), operator(s), and/or employee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business, as set forth in SLTCC 4.180.050(A)(3).

7. The applicant has been convicted, cited, fined, or penalized by any state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for any unauthorized cannabis activities.

8. The applicant has been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for cultivation or production of a controlled substance on public or private lands.

9. The cannabis business is being operated in a manner which conflicts with or violates state cannabis laws.

10. A licensee’s cannabis use permit issued pursuant to Chapter 6.55 SLTCC has been terminated or revoked.

11. A licensee has attempted to transfer or has transferred a cannabis public safety license to another person or entity.

12. A licensee’s state license has been suspended, terminated, or revoked.

B. Expiration. Any cannabis public safety license revoked pursuant to this subsection shall be deemed to be expired and shall no longer entitle the licensee to any privileges authorized by the cannabis public safety license.

C. Appeal from Chief of Police Determination. A licensee who disagrees with the chief of police’s decision to suspend or revoke a cannabis public safety license may appeal the police chief’s decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC, Administrative Appeals.

4.180.080 No vested rights.
No person(s) shall have any vested rights to a cannabis public safety license, right or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this chapter.

SECTION 3. Article X (Cannabis Regulations) of Chapter 6.55 of the South Lake Tahoe City Code is amended to read in its entirety as follows:

Article X. Cannabis Regulations

6.55.700 Purpose and intent.
6.55.710 Definitions.
6.55.720 Residential cultivation of cannabis.
6.55.730 Cannabis businesses – Use permit, development agreement, and public safety license required.
6.55.740 Cannabis businesses – General provisions.
6.55.750 Cannabis use permit application requirements.
6.55.760 Review, issuance, and/or denial of cannabis use permit applications.
6.55.770 Appeal from planning commission determination.
6.55.780 Suspension and revocation by planning commission.
6.55.790 [Reserved]
6.55.800 Cannabis businesses – Conditions of operation.
6.55.810 Business license tax liability.
6.55.820 No vested rights.
6.55.830 Public nuisance.

6.55.700 Purpose and intent.
It is the purpose and intent of this article to regulate the cultivation, manufacturing, testing, and sales of medical and adult-use cannabis in order to ensure the health, safety, and welfare of the residents of the city of South Lake Tahoe. The regulations in this article are meant to ensure compliance with the state cannabis laws and are not intended to and do not interfere with a patient's right to use medical cannabis as authorized by the state cannabis laws. Nor do these regulations criminalize the possession or cultivation of cannabis for medical or nonmedical purposes as permitted by the state cannabis laws. Cannabis businesses within the city must comply with all provisions of the city code for obtaining permits for a cannabis business and must comply with the state cannabis laws and all other applicable local and state laws.

6.55.710 Definitions.
For the purposes of this article, the following words and phrases shall have the following meanings:

"Applicant" means any person who is required to file an application for a cannabis use permit to operate a cannabis business under this article, including without limitation an individual owner, operator, or agent of a cannabis business.

"Cannabis" shall have the meaning set forth in Section 26001(f) of the Business and Professions Code and as subsequently amended.

"Cannabis business" shall include:

a. Any business, facility, use, establishment, property, or location, whether fixed or mobile, where a commercial cannabis activity takes place.

b. Any building, facility, use, establishment, property, or location where any person or entity establishes, commences, engages in, conducts, or carries on, or permits another person or entity to establish, commence, engage in, conduct, or carry on, any activity that requires a state license under Business and Professions Code Section 26000 and following, including but not limited to cannabis cultivation, cannabis distribution, cannabis manufacture, cannabis testing and cannabis retail sales, and the operation of a cannabis microbusiness.

“Cannabis product” shall have the same meaning as in Section 11018.1 of the Health and Safety Code.

“Canopy” means all areas occupied by any portion of a cannabis plant, encompassing all vertical planes (i.e., stacking of plants), whether contiguous or noncontiguous on any one site. The canopy shall be measured by taking the longest length and widest width of existing plants (including all gaps, walkways, and open areas between plants) and multiplying the longest length by the longest width to get the area of the cannabis canopy. Each level of a stacked cultivation will be calculated as a separate canopy.

“Commercial cannabis activity” shall include the cultivation, possession, manufacturing, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products, or acting as a cannabis event organizer for temporary cannabis events.

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

“Cultivator” means any cannabis business engaged in cultivation activities, but specifically excluding cultivation in a private residence or accessory dwelling unit authorized pursuant to SLTCC 6.55.720.

“Day care center” shall have that meaning as set forth in Section 1596.76 of the Health and Safety Code.

“Delivery” means the commercial transfer of cannabis or cannabis products to a customer or patient. “Delivery” also includes the use by a retailer of any technology platform.

“Delivery operation” means a cannabis business that engages in or otherwise provides deliveries.

“Distribution” means the procurement, sale, and transport of cannabis and cannabis products between licensees.

“Distributor” means any cannabis business engaged in distribution.

“Drug paraphernalia” shall have the meaning set forth in California Health and Safety Code Section 11014.5, and as subsequently amended.

“Edible cannabis product” means cannabis that is intended to be used, in whole or in part, for human consumption.

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

“Identification card” shall have the meaning set forth in California Health and Safety Code Section 11362.7(g), and as may be amended from time to time.

“Manufacture” means to compound, blend, extract, infuse, package, label, or otherwise make or prepare a cannabis product.

“Manufacturer” means any cannabis business that conducts any activities involving the manufacture of a cannabis product.

“Medicinal cannabis” or “medicinal cannabis product” shall have the meaning set forth in California Business and Professions Code Section 26001(al)(1), which includes cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician’s recommendation.

“Microbusiness” means a cannabis business that engages in commercial cannabis activities of at least three of the following types of cannabis businesses: retailer, distributor, manufacturer, cultivator.

“Operator” shall mean any person responsible for management of the cannabis business; any person listed as an officer, director, manager, or member in the Statement of Information filed with the Secretary of State for a cannabis business; any person listed in a governing document for a cannabis business, such as bylaws, articles of incorporation, or operating agreement; any person owning an interest in the cannabis business, unless the interest is solely a security, lien, or encumbrance; and any person that supervises an employee of the cannabis business.

“Owner” shall have that meaning set forth in Section 26001(ap) of the Business and Professions Code and as it may be amended.

“Package” or “packaging” means any container or wrapper that may be used for enclosing or containing any cannabis or cannabis products. The term “package” does not include any shipping container or outer wrapping used solely for the transportation of cannabis or cannabis products in bulk quantity to another licensee or licensed premises.

“Park” shall mean any land, with public access, intended to provide recreation. For the purposes of this article, “park” also includes public beaches.

“Permittee” shall mean any person issued a cannabis use permit under this article.

“Physician” shall mean a licensed medical doctor, including a doctor of osteopathic medicine as defined in the California Business and Professions Code.

“Property” shall mean the designated structure or structures and land specified in the cannabis use permit application that is owned, leased or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

“Retailer” means any cannabis business that engages in the sale of cannabis or cannabis products to customers, including medical and adult-use cannabis or cannabis products.

“School” means any public or private school providing instruction in kindergarten or any of grades one to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

“State cannabis laws” means and includes California Health and Safety Code Sections 11362.1 through 11362.45; California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program); California Business and Professions Code Section 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)); all state laws enacted or amended pursuant to SB-94, Chapter 27, Statutes of 2017; the California Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section

147.5; California Revenue and Taxation Code Sections 34010 through 34021.5; California Fish and Game Code Section 12029; California Water Code Section 13276; all state regulations adopted by the Department of Cannabis Control; any license issued by the Department of Cannabis Control; and all other applicable laws of the state of California regulating cannabis or cannabis products.

“Testing laboratory” means a laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products and is licensed by the Department of Cannabis Control.

“Youth centers” shall mean any youth center, as defined in Section 11353.1(e)(2) of the Health and Safety Code, any playground, as defined in Section 11353.1(e)(1) of the Health and Safety Code, and any child day care facility, as that term is defined in Section 1596.750 of the Health and Safety Code.

6.55.720 Residential cultivation of cannabis.

A. No person or entity may cultivate cannabis in any residence in the city, except that a person may cultivate no more than six living cannabis plants inside his or her private residence or inside an accessory structure to his or her private residence located upon the grounds of that private residence that is fully enclosed and secured against unauthorized entry; provided, that the owner of the property provides written consent expressly allowing the cannabis cultivation to occur, there is no use of gas products (CO_2, butane, propane, natural gas, etc.) on the property for purposes of cannabis cultivation, and the cultivation complies with Health and Safety Code Section 11362.2(a)(3), as it may be amended.

B. Amortization of Existing Residential Cultivation Permits. All residential cultivation permits previously issued by the city are hereby deemed amortized and are null and void.

C. No Vested Rights. No person(s) shall have any vested rights to any permit, right or interest under this article, regardless of whether such person(s) cultivated cannabis prior to adoption of the ordinance codified in this article.

D. Public Nuisances. Cultivation shall not create a public nuisance and adversely affect the health or safety of persons residing in or near the residence where the cultivation occurs. A public nuisance may be deemed to exist if cultivation produces:

    1. Odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby properties or areas open to the public;

    2. More than three substantiated responses to valid confirmed complaints in a one-year time period to the residence from law enforcement officers;

    3. More than three disruptions in a one-year time period to the free passage of persons or vehicles in the neighborhood;

    4. Excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby properties or areas open to the public in accordance with SLTCC 4.70.160;

    5. Adverse effects to health or safety through creation of mold, mildew, dust, glare, heat, noise, noxious gases, odor, smoke, traffic, parking, vibration, or other impacts, or be hazardous because of the use or storage of materials, processes, products or wastes.

E. Environment. Runoff and waste disposal by the residence where cultivation occurs must be in compliance with any applicable city, county, regional, state, and federal laws and regulations. A violation of any applicable city, county, regional, state, or federal law will be deemed a violation of this article.

F. Cultivation of cannabis in residences shall be in conformance with the following requirements:

1. Cultivation shall only occur in fully enclosed and secure structures. All outdoor cultivation of cannabis is strictly prohibited.

2. Cultivation shall only occur in residences which are in full compliance with the city code, including the building code and fire code.

3. No cooking, baking, or alteration as to form and substance of cannabis for commercial purposes, and/or sale, is permitted in a residence which cultivates cannabis.

4. From a public right-of-way, there shall be no exterior evidence of cannabis cultivation occurring at the residence.

6.55.730 Cannabis businesses – Use permit and public safety license required.

It shall be unlawful for any person to engage in, to conduct or carry on (or to permit to be engaged in, conducted or carried on) in or upon property located within the city, the operation of a cannabis business unless that person has first obtained and continues to maintain in full force and effect: a valid cannabis use permit issued by the city for that property and a valid cannabis public safety license issued by the city to the owner and/or operator of the cannabis business, pursuant to Chapter 4.180 SLTCC.

6.55.740 Cannabis businesses – General provisions.

A. Cannabis Businesses Allowed.

1. Only those types of cannabis businesses set forth in this section shall be allowed within the city:

a. Retailers.

b. Microbusinesses.

c. Testing labs.

d. Cultivators.

e. Manufacturers.

f. Distributors.

g. Delivery operations.

Any and all cannabis businesses, activities, nonprofits, associations, enterprises, collectives, cooperatives or dispensaries not expressly described herein are expressly prohibited. Temporary cannabis events are prohibited within the city.

2. No more than one cannabis business may exist in the same suite or unit on a lot or parcel of property.

3. An owner and/or operator of a cannabis business may not own or operate more than one retail cannabis business, including a microbusiness with a retailer component, within the city.

4. No more than four retailers are permitted in the city, including microbusinesses with a retailer component. Delivery operations of medicinal cannabis to medicinal cannabis

patients or their primary caregivers within the city that originate from retailers outside the city's jurisdictional limits are not subject to this limitation.

5. No more than two microbusinesses are permitted in the city, unless after the application period referenced in SLTCC 6.55.750(C) there are open permits for retailers, cultivators, manufacturers, or distributors, in which case the city council may adopt a resolution to reopen the application period to allow additional microbusinesses combining the open permit types.

6. No more than two cultivators are permitted in the city.

7. No more than four manufacturers are permitted in the city.

8. Distributors are permitted in the city only as part of a microbusiness, unless one or more of the permitted microbusinesses do not include a distributor component, in which case a distributor shall be permitted for each microbusiness without a distributor component.

B. Limitations on Location.

1. Permissible Zoning. Subject to limitations described in this article and other parts of SLTCC Title 6, and applicable regulations of the Tahoe Regional Planning Agency, cannabis businesses may operate only in a location where such land use will be consistent with the land uses authorized under the applicable area plan, plan area statement, and/or community plan for such location. Table 6.55.740 sets forth the applicable permissible use categories for each type of cannabis business.

Table 6.55.740

City Cannabis Business Type	TRPA Permissible Use Categories
a. Retailers (including delivery operations)	"food and beverage retail sales" and "general merchandise stores"
b. Microbusinesses	
i. Retailer	See a.
ii. Distributor	See f.
iii. Manufacturer	See e.
iv. Cultivator	See d.
c. Testing labs	"industrial services"
d. Cultivators	"industrial services"
e. Manufacturers	"food and kindred products" and "small scale manufacturing"*

City Cannabis Business Type	TRPA Permissible Use Categories
f. Distributors	“wholesale and distribution”

* The applicable TRPA permissible use category for a manufacturer will depend on the type of cannabis product being manufactured.

2. Areas and Zones Where Cannabis Businesses Are Not Permitted.

a. Notwithstanding subsection (B)(1) of this section, a cannabis business may not operate on a parcel or lot located within 1,000 feet of a school, or 600 feet of a youth center, or 600 feet of a day care center, or 150 feet of any park, any religious institution, any residential or outpatient drug or alcohol treatment facility licensed by the State Department of Health Care Services, or hospital, that is in existence at the time the cannabis use permit is issued.

Distances under this subsection shall be calculated as a straight line from any parcel line of the property on which the cannabis business is located to the parcel line of the real property on which the facility, building, or structure, or portion of the facility, building or structure, in which the listed use occurs or is located. Locational restrictions shall apply to an entire parcel if any portion of the parcel is located within the applicable buffer distance.

b. Cannabis businesses may not operate on a parcel or lot located within a residential designated land use area, as depicted in the city’s general plan.

C. Transfer of Cannabis Use Permits.

1. Permit – Site Specific. A permittee shall not operate a cannabis business under the authority of a cannabis use permit at any place other than the parcel and specified address of the cannabis business stated in the application for the permit. All permits issued by the city pursuant to this article shall be nontransferable to a different location.

2. Transfer of a Permitted Cannabis Business. A permittee shall not transfer ownership or control of a cannabis business or attempt to transfer a cannabis use permit to another person unless and until the transferee obtains an amendment to the cannabis use permit from the planning commission to the permitting requirements of this article stating that the transferee is now the permittee. Such an amendment may be obtained only if the transferee files an application with the development services department in accordance with all provisions of this article accompanied by the required transfer review application deposit.

3. Request for Transfer with a Revocation or Suspension Pending. No cannabis use permit may be transferred (and no permission for a transfer may be issued) when the development services department has notified the permittee in writing that the permit has been or may be suspended or revoked for noncompliance with this chapter and a notice of such suspension or revocation has been provided.

4. Transfer without Permission. Any attempt to transfer a cannabis use permit either directly or indirectly in violation of this chapter is declared void, and the permit shall be deemed revoked.

6.55.750 Cannabis use permit application requirements.

A. Cannabis Public Safety License. Applicants seeking a cannabis use permit to operate a cannabis business within the city shall first submit an application for a cannabis public safety license. Upon the chief of police's, or their designee's, approval of the application for a cannabis public safety license, the applicant may submit an application for a cannabis use permit to operate a cannabis business.

B. Except as set forth in this article, applications for cannabis use permits shall be processed consistent with Article VII (Use Permits and Variances). The city manager, or their designee, may recommend, and the city council may establish by resolution, any necessary procedures and application requirements.

C. Use Permits for Retailers, Cultivators, Manufacturers, Distributors, and Microbusinesses. Because only a limited number of retailers, cultivators, manufacturers, distributors, and microbusinesses are permitted, an application period for these businesses shall be established that allows applicants to be placed on a qualified applicant list. The process and selection criteria for selection of the best applicants to be placed on the qualified applicant list shall be established by resolution of the city council.

D. Applications shall include a requirement that applicants demonstrate owner consent to operate a cannabis business on the property. Applications for cannabis retailers shall also include a statement as to whether the use will include delivery of cannabis and cannabis products to locations outside the retailer's property. If delivery services will be provided, the application shall describe the operational plan and specific extent of such service, security protocols, and how the delivery services will comply with the requirements set forth in this article and state law.

E. Site Plan. Applicants shall submit a site plan that shall include a floor plan, and a scaled premises diagram showing the boundaries of the cannabis business and property with all boundaries, dimensions, entrances and exits, interior partitions and walls, with labeling of each room, windows and common shared entryways. If the proposed cannabis business consists of only a portion of the property, the diagram shall be labeled indicating which part of the property is the proposed cannabis business and what the remaining property is used for.

F. Cost Recovery. Every application for a cannabis use permit shall be accompanied by a deposit (in an amount established by resolution of the city council) and the applicant shall replenish such deposit at the request of the city to allow for recovery of the city's full cost of reviewing and issuing said permit.

6.55.760 Review, issuance, and/or denial of cannabis use permit applications.

A. Criteria for Issuance. In addition to the required findings for issuance of a special use permit in SLTCC 6.55.620(B), the planning commission, or the city council on appeal, shall make all of the following findings in determining whether to grant, modify, or deny a cannabis use permit for any cannabis business:

1. If the cannabis business is a microbusiness, retailer, manufacturer, distributor, or cultivator, the applicant is on the qualified applicant list established and maintained by the city.

2. The cannabis use permit application is complete and the applicant has submitted all information and materials required.

3. The proposed location of the cannabis business will comply with the buffer requirements in SLTCC 6.55.740(B) and is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proximity of the proposed cannabis business to a school, youth center, park, church, state licensed drug or alcohol treatment facility, or hospital.

4. The proposed location of the cannabis business is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proposed cannabis business's proximity to another existing or permitted cannabis business, and no significant nuisance issues or problems are likely or anticipated.

5. The design of the cannabis business is compatible with the city's design guidelines.

6. The property is located on a property which is consistent with all development standards of this title.

7. The location is not prohibited under the provisions of this title or any local or state law, statute, rule, or regulation.

8. The cannabis business will not violate any provision of the SLTCC or condition imposed by a city-issued permit, or any provision of any other local or state law, regulation, or order, or any condition imposed by permits issued in compliance with those laws.

9. The site plan for the cannabis business has incorporated features necessary to assist in reducing potential nuisance and crime-related problems. These features may include, but are not limited to, procedures for allowing entry; reduction of opportunities for congregating and obstructing public ways and neighboring property; and limiting furnishings and features that encourage loitering and nuisance behavior.

B. Supplemental Findings – Cannabis Testing Laboratory. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a testing lab:

1. The owners, permittees, operators, and employees of the testing lab will not be associated with any other form of commercial cannabis activity.

2. The testing lab meets the accreditation requirements set forth in Business and Professions Code Section 26100(h) and any applicable regulations enacted by the Department of Cannabis Control.

3. The testing lab operating plan demonstrates proper protocols and procedures for statistically valid sampling methods and accurate certification of cannabis and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.

C. Supplemental Findings – Cultivators. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a cultivator:

1. The cultivation of cannabis for commercial purposes shall only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis will be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides.

4. The applicant for cultivation for cultivation of cannabis with a total canopy size greater than 5,000 square feet per property has submitted documentation that electrical power used for commercial cannabis activity meets the average electricity greenhouse gas emissions intensity required by the local utility provider pursuant to the California Renewables Portfolio Standard Program, and has submitted an energy efficiency plan showing measures being taken to minimize energy consumption in lighting, HVAC, and dehumidifying equipment.

D. Supplemental Findings – Manufacturers. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a manufacturer:

1. The manufacturer shall be limited to 2,500 square feet of fully enclosed space.

2. The manufacturer shall not undertake any volatile extraction activities, and shall only conduct the operations authorized under the “Type 6,” “Type N,” or “Type P” license categories, as defined in the Department of Cannabis Control regulations, Title 4 of the California Code of Regulations, Section 17006, as may be amended.

E. Criteria for Denial. The planning commission shall deny an application that meets any one of the following criteria:

1. Any supervisor, employee, or person having a 10 percent or more financial interest in the cannabis business has been convicted of a felony or a drug-related misdemeanor reclassified by Section 1170.18 of the California Penal Code (Proposition 47) within the past 10 years. A conviction within the meaning of this subsection means a plea or verdict of guilty or a conviction following a plea of nolo contendere;

2. Any person who is listed on the application or is an owner or operator, is a licensed physician making patient recommendations for medical cannabis pursuant to Section 11362.7 of the Health and Safety Code;

3. Any person who is listed on the application or is an owner or operator is less than 21 years of age;

4. The proposed cannabis business does not comply with the provisions of this article or state cannabis laws; and

5. The planning commission is unable to make a required finding contained in this section.

F. Planning Commission Determination. If the planning commission, by a majority vote of a quorum of commissioners, denies the application, the planning commission shall specify in writing the reasons for the denial of the application, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to Chapter 2.35 SLTCC.

G. Indemnification. Cannabis use permits shall contain a condition requiring the dispensary, through its management members, to execute an agreement in a form approved by the city

attorney whereby the cannabis business (1) releases the city, and its agents, officers, elected officials, and employees from any injuries, damages, or liabilities of any kind that result from any arrest or prosecution of the cannabis business or its management members, employees, or members for violation of state or federal laws, (2) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by any party arising out of the city's decision to permit the operation of the cannabis business, and (3) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries of any kind brought by adjacent or nearby property owners or other third parties due to the operations at the cannabis business.

6.55.770 Appeal from planning commission determination.

An applicant or any interested party who disagrees with the planning commission's decision to issue, issue with conditions, or to deny or revoke a cannabis use permit may appeal the planning commission's decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC.

6.55.780 Suspension and revocation by planning commission.

A. Authority to Suspend or Revoke a Cannabis Use Permit. Any permit issued under the terms of this article may be suspended or revoked by the planning commission.

B. A cannabis use permit may be revoked if it appears to the planning commission that the cannabis business has violated any of the requirements of this article or the security plan required pursuant to Chapter 4.180 SLTCC, or the cannabis business is being operated in a manner which constitutes a nuisance, or the cannabis business has ceased to operate for 30 days or more, or the owner or operator of the cannabis business fails to maintain a valid and current public safety license, or the cannabis business is being operated in a manner which conflicts with or violates state cannabis laws.

C. Any cannabis use permit revoked pursuant to this section shall be deemed to be expired and shall no longer entitle the permittee to any uses authorized by the cannabis use permit.

D. Revocation, expiration or nullification of a cannabis public safety license pursuant to SLTCC 4.180.060 and 4.180.070 shall automatically terminate the cannabis use permit issued to the licensee and shall terminate the ability of the licensee to operate a cannabis business without initiation of revocation proceedings by the planning commission.

E. Annual Review of Cannabis Businesses. The development services department is hereby authorized to conduct an annual review of the operation of each permitted cannabis business within the city for full compliance with the operational, record-keeping, nuisance and other requirements of this article, in coordination with any other departments of the city. Each cannabis business shall pay a fee in an amount established by resolution of the city council which shall be collected in order to reimburse the city for the time involved in the annual review process. The staff may initiate a permit suspension or revocation process for any cannabis business which, upon completion of an annual review, is found not to be in compliance with the requirements of this chapter or which is operating in a manner which constitutes a public nuisance. Staff may, based upon its annual review of the operation of a cannabis business, place on a planning commission meeting agenda, a proposal to suspend or revoke a cannabis use permit.

6.55.800 Cannabis businesses – Conditions of operation.

A. All Cannabis Businesses. All cannabis businesses shall be operated, maintained, and managed on a day-to-day basis in compliance with the following operational conditions and requirements:

1. State Licensing and Compliance with State Cannabis Laws. The city recognizes that state law requires dual licensing at the state and local level for all cannabis businesses. All operators shall therefore be required to diligently pursue and obtain a state cannabis license at such time as the state begins issuing such licenses, and shall comply at all times with all applicable state cannabis laws.

2. Cannabis Public Safety License. A cannabis business shall maintain a cannabis public safety license at all times. The failure to maintain a cannabis public safety license, revocation of a cannabis public safety license, or lapse in renewal of a cannabis public safety license shall be the basis for immediate termination of the right to operate a cannabis business under a cannabis use permit.

3. Employees. It shall be unlawful for the applicant, owner, operator, or any other person effectively in charge of any cannabis business to employ any person who is not at least 21 years of age.

4. Minors. Persons under the age of 21 years shall not be allowed on the premises of a cannabis business unless they are a qualified patient. The entrance to each cannabis business shall have, clearly and legibly posted, a notice indicating that persons under the age of 18 are prohibited from entering the premises unless they are a qualified patient and they are in the presence of their parent or guardian.

5. Every cannabis business shall display, at all times during its regular business hours, the cannabis use permit and cannabis public safety license issued for such cannabis business in a conspicuous place so that the same may be readily seen by all persons entering the cannabis business.

6. No cannabis business shall hold or maintain a license from the State Department of Alcoholic Beverage Control for the sale of alcoholic beverages, or operate a business on the premises of the cannabis business that sells alcoholic beverages, or otherwise allow alcoholic beverages to be possessed, distributed, or consumed on the premises.

7. No cannabis business shall be a retailer of tobacco products.

8. Operation of a cannabis business shall not result in illegal redistribution or sale of cannabis obtained, or the use or distribution in any manner which violates state cannabis laws or this article.

9. Odors. All cannabis businesses shall be sited and/or operated in a manner that prevents cannabis odors from being detected off site. All structures utilized for indoor cannabis cultivation shall be equipped and/or maintained with sufficient ventilation controls (e.g., carbon scrubbers) to eliminate nuisance odor emissions from being detected off site.

10. Security. The cannabis business shall at all times comply with all elements of its security plan, submitted as a part of its cannabis public safety license application pursuant to Chapter 4.180 SLTCC.

11. Signage and Advertising. The cannabis business shall comply with all applicable provisions of Chapter 6.40 SLTCC and any applicable Tahoe Regional Planning Agency regulations. All advertising shall comply with Business and Professions Code Section 26151.

12. On-Site Consumption. On-site consumption is allowed at permitted retailers and microbusinesses with a retailer component upon approval of an amended public safety license under SLTCC 4.180.050 and, if the addition of on-site consumption increases the floor area used for retail, approval of an amended cannabis use permit under SLTCC 6.55.800(B)(2).

13. Additional Conditions. The planning commission may impose additional conditions which it deems necessary to ensure that operation of the cannabis business will be in accordance with the standards and regulations provided in this title, the standards set forth by separate resolution of the city council, and applicable state laws.

B. Supplemental Conditions – Retailers. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis retailer shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Retailers may not sell drug paraphernalia and implements that may be used to ingest or consume cannabis except where such sales and operations comply with Health and Safety Code Section 11364.5.

2. Retailers shall not be enlarged in size (i.e., increased floor area) without the planning commission's prior review and approval and an approved amendment to the existing cannabis use permit applied for and issued pursuant to the requirements of this article.

3. Retailers shall only sell, deliver, or give away medical cannabis to individuals authorized to receive medical cannabis in accordance with state cannabis laws. Retailers of medical cannabis shall require such persons receiving medical cannabis to provide valid official identification, such as a Department of Motor Vehicles driver's license or State Identification Card, each time he or she seeks to purchase medical cannabis.

4. Hours of Operation. Retailers may only operate during the hours between 6:00 a.m. through 10:00 p.m., except that authorized on-site consumption areas may operate until 2:00 a.m. with no cannabis sales after 10:00 p.m. The planning commission may further restrict a retailer's days and hours of operation as a condition of a cannabis use permit. A retailer shall post its approved days and hours of operation on a sign located on the street frontage of the cannabis business in a manner consistent with the city's sign regulations. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers are not subject to these limited hours of operation.

5. Retailers shall not have a physician on-site to evaluate patients and/or provide recommendations for the use of medical cannabis.

6. State Seller's Permit. Retailers shall, at all times during operation, maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code.

7. Retailers shall make available lock bags on site for purchase or shall provide information on how to obtain a lock bag.

8. Cannabis and cannabis products shall only be sold as pre-packaged consumer products, and each type of product shall be pre-packaged in a uniform amount per package. Cannabis and cannabis products shall be pre-packaged for general sale and not at the request of any specific customer.

C. Supplemental Conditions – Cultivators. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis cultivation operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Outdoor commercial cultivation prohibited. The cultivation of cannabis for commercial purposes may only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis must be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides. Any fumigation or insecticidal fogging shall comply with the California Fire Code Chapter 26 (Fumigation and Insecticidal Fogging).

4. Screening. Cannabis plants shall not be visible from any location beyond the property.

5. Cultivators shall maintain either the “Type 1A” (specialty indoor), “Type 1B” (specialty mixed-light), “Type 1C” (specialty cottage), “Type 2A” (small indoor), “Type 2B” (small mixed-light), “Type 3A” (indoor), “Type 3B” (mixed-light) or “Type 4” (nursery) licenses as defined in Business and Professions Code Section 26061, and issued by the Department of Cannabis Control, at all times of operation.

6. Cultivators may not engage in retail sales at the same property as cultivation.

D. Supplemental Conditions – Delivery Operations. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis delivery operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Delivery operations shall only be operated by a permitted cannabis retailer that has a physical location and a retail storefront in the city open to the public. A cannabis retailer shall not conduct sales exclusively by delivery. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers within the city that originate from retailers outside the city’s jurisdictional limits are not subject to this limitation, but any such delivery operation is required to obtain a public safety license under Chapter 4.180 SLTCC.

2. Vehicles used for deliveries shall have a GPS tracker, and records shall be maintained regarding the location of all deliveries. No more than maximum of $3,000 in cash, or equivalent value of cannabis or cannabis products, may be carried at any time.

E. Supplemental Conditions – Microbusinesses. In addition to each of the conditions of operation set forth in subsection (A) of this section, each microbusiness shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Except as modified by this subsection (E), each microbusiness with a retail component shall comply with all conditions of operation set forth in subsection (B) of this section, each microbusiness with a cultivator component shall comply with all conditions of operation set forth in subsection (C) of this section, each microbusiness with a

manufacturer component shall comply with all conditions of operation set forth in subsection (F) of this section, and each microbusiness with a distributor component shall comply with all conditions of operation set forth in subsection (G) of this section.

2. Microbusinesses undertaking manufacturing activity shall utilize only extraction processes that employ nonvolatile solvents for the purposes of extracting cannabinoids and processes that are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act. Microbusinesses undertaking manufacturing activity shall maintain a license of the "Type 6," "Type N," or "Type P" license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

3. The cultivation of cannabis for commercial purposes by microbusinesses shall be limited to 10,000 square feet of total canopy size per property.

4. A microbusiness with a retail component may engage in retail sales on the same property as a cultivation component, but shall limit access to the public to only the retail component of the microbusiness.

F. Supplemental Conditions – Manufacturers. In addition to each of the conditions of operation set forth in subsection (A) of this section, manufacturers shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Manufacturers shall not engage in on-site retail sales of cannabis or cannabis products.

2. Manufacturers shall utilize only extraction processes that employ nonvolatile solvents and are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act.

3. Standard of Equipment. Manufacturing, processing, and analytical testing devices used by manufacturers must be UL (Underwriters Laboratories) listed or otherwise certified by an approved third party testing agency or engineer and approved for the intended use by the city's building official and fire code official.

4. Food Handler Certification. All owners, employees, volunteers, or other individuals that participate in the production of edible cannabis products shall be state-certified food handlers. The valid certificate number of each such owner, employee, volunteer, or other individual must be on record at the property where the individual participates in the production of edible cannabis products.

5. Edible Cannabis Product Manufacturing. Manufacturers that sell or manufacture edible cannabis products shall obtain a county health permit to sell and/or manufacture edible cannabis products. Permit holders shall comply with county health permit requirements.

6. The manufacturer shall maintain a manufacturer license of "Type 6," "Type N," or "Type P" license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

G. Supplemental Conditions – Distributors. In addition to each of the conditions of operation set forth in subsection (A) of this section, distributors shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. No distributor may distribute cannabis from an unlicensed cannabis cultivator or manufacturer. Distributors may only distribute cannabis products between other licensed businesses within the state of California.

2. Distributors may not sell cannabis products directly to consumers, and cannabis distribution facilities shall be fully enclosed and inaccessible to the general public.

H. Maintenance, Access to, and Inspection of Records.

1. Every cannabis business shall maintain on-site, at the property designated for the operation of the cannabis business, all records of the cannabis business.

2. Financial Records. The cannabis business shall maintain a written accounting record or ledger of all cash, receipts, credit card transactions, reimbursements, (including any in-kind contributions), and any and all reasonable compensation for services provided by the cannabis business, as well as records of all operational expenditures and costs incurred by the cannabis business in accordance with generally accepted accounting practices and standards typically applicable to business records.

3. Record Retention Period. The records required in this subsection shall be maintained by the cannabis business for a period of five years and shall be made available to the city within 24 hours of written request.

4. A duly designated city police department or finance department representative may enter and shall be allowed to inspect the premises of every cannabis business as well as the financial and membership records of the cannabis business required by this article at any time during the cannabis business's designated business hours, or at any appropriate time to ensure compliance and enforcement of the provisions of this article. Such representative may also require the cannabis business to also provide access to such financial records electronically. It shall be unlawful for any owner, operator, or any other person having any responsibility over the operation of the cannabis business to refuse to allow, impede, obstruct or interfere with an inspection of the cannabis business or the required records thereof.

6.55.810 Business license tax liability.
An operator of a cannabis business shall be required to apply for and obtain a business and professions tax certificate pursuant to Chapter 3.35 SLTCC as a prerequisite to obtaining a cannabis use permit or operating within the city pursuant to the terms of this article. The cannabis businesses shall be subject to sales tax and other applicable taxes in a manner required by state law.

6.55.820 No vested rights.
No person(s) shall have any vested rights to any permit, right or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this article.

6.55.830 Public nuisance.
Any use or condition caused or permitted to exist in violation of any provision of this article shall be and hereby is declared a public nuisance and may be subject to administrative citations as set forth in Chapter 2.30 SLTCC, summarily abated by the city pursuant to Chapter 4.40 SLTCC and/or Code of Civil Procedure, Section 731, or subject to any other remedy available to the city.

SECTION 4. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence,

clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. The City Council finds that the 2030 General Plan EIR adequately addresses the potential environmental impacts of the proposed ordinance and that no further environmental analysis is required to comply with the California Environmental Quality Act (CEQA), and CEQA Guidelines section 15162 because the proposed ordinance is within the scope of the previous EIR and there are no substantial changes to the project or the circumstances that require major revisions to the previous EIR due to new significant environmental effects, new information of substantial importance that shows the project will have significant effects not discussed in the previous EIR, significant effects previously examined would be more severe, or mitigation measures or alternatives previously found not to be feasible would substantially reduce one or more significant effects.

SECTION 6. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

SECTION 7. This Ordinance shall become effective 30 days following its adoption.

Adopted by the City of South Lake Tahoe City Council on January 9, 2024 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____
Mayor

Attest:

_____
Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Chapter 4.100

CLEAN ~~INDOOR~~ AIR AND HEALTH PROTECTION

Sections:

4.100.010 Purposes.
4.100.020 Authority.
4.100.030 Definitions.
4.100.040 Smoking prohibitions – Public places.
~~4.100.050 Smoking prohibitions – Workplaces.~~
4.100.~~060~~050 Places where smoking is permissible.
~~4.100.070 Exemption procedures.~~
~~4.100.080 Posting requirements.~~
~~4.100.090 Retaliation prohibited.~~
4.100.~~100~~060 Violation and penalties~~ – Smoking or posting~~.
~~4.100.110 Retaliation remedies.~~
~~4.100.120 Enforcement.~~
~~4.100.130 Provision to repeal ordinance.~~

4.100.010 Purposes.

The U.S. Environmental Protection Agency (EPA) has determined that tobacco smoke is a major source of indoor air pollution and the Surgeon General's 1986 report on the health consequences of involuntary smoking concludes that exposure to tobacco smoke places healthy nonsmokers at increased risk for developing lung cancer. Other health hazards of involuntary smoking include respiratory infection, decreased exercise tolerance, decreased respiratory function, bronchoconstriction, and bronchospasm. While all members of the population are truly at increased risk due to exposure to sidestream tobacco smoke, it constitutes a special health hazard for children, the elderly and people with chronic lung disorders.

The Surgeon General labels smoking "the largest single preventable cause of death and disability for the U.S. population."

~~Employees subject to prolonged exposure to sidestream smoke in the workplace have been found in scientifically conducted studies to experience a decrease in job productivity and some have been forced to take periodic sick leave because of reactions to secondhand smoke. Furthermore, studies have shown higher costs to the employer are associated with smoking in the workplace due to increases in absenteeism, accidents, costs of medical care, loss of productivity, and cleaning and maintenance requirements. A recent scientific study has reported that sidestream smoke from tobacco may cause a significant amount of cardiovascular disease in the United States and that the number of deaths from this cause may exceed the deaths caused by lung disease associated with sidestream smoke. Smoking in public places and workplaces is a major cause of fires and damage to merchandise and equipment as well as costly maintenance and repairs to furniture and fixtures. The health care costs produced by smoking related ailments and diseases constitute a heavy and avoidable financial drain on our community.~~

More than 80 percent of El Dorado County residents are nonsmokers, and the number of nonsmokers is steadily increasing. Opinion surveys show that a majority of both nonsmokers and smokers favor restrictions on smoking in public places ~~and places of employment~~.

Air pollution caused by smoking is an offensive annoyance and irritant. Smoking results in serious and significant physical discomforts of nonsmokers, and constitutes a public nuisance in public places ~~and workplaces~~.

This chapter attempts to find a compromise that allows smokers to smoke, and others to breathe smoke-free air.

Health and Safety Code section 11362.3 prohibits smoking cannabis or cannabis products in a public place and in a location where smoking tobacco is prohibited.

This chapter is not to be interpreted as requiring ~~restaurants or bars~~any establishment to provide a smoking area.

4.100.020 Authority.
This chapter is enacted pursuant to ~~the provisions of the~~ Health and Safety Code section 118910 for the purpose of restricting and regulating smoking in public places ~~and in places of work~~ in order to reduce the hazards and nuisances which smoking causes to those who are involuntarily exposed.

4.100.030 Definitions.
As used in this chapter, the words and phrases ~~identified in SLTCC 4.100.010 through 4.100.120~~ shall have the following meanings:

A. "On-site consumption lounge" means a facility operating with a city-issued public safety license and cannabis use permit where cannabis and cannabis products may be smoked, vaped, or ingested within the confines of the facility.

~~A. "Bar" means an area which is devoted to the serving of alcoholic beverages for consumption on the premises and in which the serving of food, if any, is incidental to the consumption of alcoholic drinks. When a bar is operated within a building in conjunction with another use, such as a restaurant, only the area utilized primarily for the consumption of alcoholic beverages shall constitute the bar. The dining area of a restaurant utilized primarily for the serving and consumption of food shall not constitute a bar, even though alcoholic beverages may be served therein. An establishment that serves food in the bar, and where there are fewer seats where food is served in the bar than seats at the bar, qualifies as a bar.~~

~~B. "Commercial enterprise" shall mean any business entity formed for profit-making purposes, including professional corporations and other entities under which legal, medical, dental, engineering, architectural, or other professional services are delivered, and shall also include any person charged with the responsibility of controlling conduct on behalf of the above described enterprises upon any premises regulated by provisions of this chapter.~~

~~C. "Nonprofit entity" shall mean corporation, unincorporated association or other entity created for charitable, philanthropic, educational, character building, political, social or other similar purposes, the net proceeds from the philanthropic, educational, character building, political,~~

~~social or other similar purposes, the net proceeds from the operations of which are committed to promotion of the objects or purposes of the organization and not to private gain, together with any person charged with the responsibility of controlling conduct on behalf of the above described entities upon any premises regulated by the provisions of this chapter. A public agency is not a "nonprofit entity" within the meaning of this section.~~

~~D~~B. "Person" means any natural person, partnership, corporation, unincorporated association, joint venture, business trust, joint stock company, club, or other organization of any kind~~, except the county or any other public agency~~.

~~E. "Enclosed area" shall mean all space between a floor and ceiling which is served by a common heating, ventilating or air conditioning system, and is enclosed on all sides by solid walls or windows (exclusive of door or passageways) which extend from the floor to the ceiling, including all space therein screened by partitions which do not extend to the ceiling or are not solid, "office landscaping," or similar structures.~~

~~F. "Members of the general public" includes shoppers, customers, patrons, patients, students, clients and other similar invitees of a commercial enterprise or nonprofit entity, but excludes employees thereof, sales representatives, service repair persons, and persons delivering goods, merchandise or services to a commercial enterprise, nonprofit entity or county.~~

~~G. "Office" means an area enclosed by walls containing a desk, table or similar furnishings for clerical, administrative or supervisory work, a complex of such enclosures and a building containing such enclosures whether or not the building is utilized primarily for other purposes such as retailing, wholesaling or storage, or manufacturing, together with all hallways, stairways, elevators, escalators, restrooms, lobbies, waiting rooms, reception areas, entry areas, and conference rooms within or associated with the complex of such enclosures, including:~~

~~1. Legal, medical, dental, engineering, accounting, counseling and other professional offices;~~

~~2. Insurance, real estate, ticket, collection agency, and other offices where business services are offered to or goods or services are offered to or may be ordered by or may be paid for by members of the general public.~~

~~H. "Lobby/reception area" means an area that must be passed through in order to get to another destination.~~

~~I. "Restaurant" means any coffee shop, cafeteria, luncheonette, soda fountain, "fast food service," and other establishment where cooked or otherwise prepared food is sold to members of the general public for consumption on the premises. The term does not include a cafeteria or lunchroom defined as a "workplace" by subsection (L)(3) of this section, whether or not members of the general public incidentally frequent the facility.~~

~~J~~C. "Smoking" means ~~lighting,~~ inhaling, exhaling, ~~or~~ burning, or carrying any lighted or heated pipe, cigar, cigarette, ~~weed, or plant, or carrying any lighted pipe, lighted cigar, lighted cigarette, lighted weed, lighted plant,~~ or any other lighted or heated ~~ignited combustible~~ tobacco or plant product intended for inhalation, ~~substance~~ in any manner or in any form. Smoking includes the use of an electronic smoking device that creates an aerosol or a vapor, in any manner or in any

form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking.

~~K~~D. "Tobacco ~~store~~shop" means ~~a place utilized primarily for the sale to members of the general public at retail of tobacco products or accessories, and in which the sale of any other products is merely incidental~~any business establishment, the main purpose of which is the sale of tobacco products, including, but not limited to, cigars, pipe tobacco, and smoking accessories.

~~L. "Workplace" means any enclosed area which is occupied by two or more employees of a commercial enterprise, nonprofit entity or the city including but not limited to places:~~
~~1. Utilized for:~~
~~a. The manufacturing, processing, assembly, maintenance, or repair of any products, goods, equipment, tools, appliances, furnishing or other object; or~~
~~b. The physical storage for purposes of wholesaling, future utilization for operational purposes, or future transfer preceding consumption or other utilization of any products, goods, merchandise, materials, supplies, equipment, tools, appliances or furnishings.~~
~~2. Utilized or operated for a purpose described by SLTCC 4.100.040 and from which members of the general public are excluded.~~
~~3. Utilized as a union hall, cafeteria, lounge, lunchroom, restroom, conference room, training room, lecture room or classroom primarily for the use or benefit of employees.~~
~~4. A private residence, including either an attached or detached garage, utilized as a workplace for a home business, including but not limited to use as a licensed day care facility, except when not frequented by members of the general public.~~

4.100.040 Smoking prohibitions – Public places.

~~A.~~ Except as specifically provided, it is unlawful for ~~any member of the general public or~~ any other person~~, including an employee,~~ to smoke in the public places named and described in subsections (A)~~(1)~~ through (~~13~~C) of this section, inclusive, and other public places similarly situated, including but not limited to the following areas:

~~1. Common work areas occupied by employees performing clerical, technical, administrative or other business or work functions;~~

~~2. Merchandise display areas, checkout stations, and counters and other pay stations;~~

~~3. Hallways;~~

~~4. Restrooms;~~

~~5. Elevators, escalators, stairways;~~

~~6. Lobbies (unless a special room and/or outdoor ventilation system is installed);~~

~~7. Reception areas;~~

~~8. Waiting rooms;~~

~~9. Service lines;~~

~~10. Classrooms, meeting or conference rooms, or lecture halls;~~

~~11~~A. Outdoor public recreation areas owned, operated, or maintained by the city, including parks and beaches as defined in SLTCC 8.05.~~020~~010, golf courses, and campgrounds;

~~12~~B. Parking lots, parking structures, and parking areas owned, operated, or maintained by the city; and

~~13~~C. Other places in which members of the general public congregate ~~for service~~ or otherwise frequent.

~~B. Stores. The prohibitions contained in subsection (A) of this section shall be applicable to:~~

~~1. The enclosed common areas of shopping malls;~~

~~2. Automobile dealerships, furniture or other showrooms for the display of merchandise offered for sale at retail;~~

~~3. Grocery, specialty, department and other stores which sell goods or merchandise at retail; and~~

~~4. Service stations, stores or shops for the repair or maintenance of appliances, shoes, or motor vehicles, barbershops, beauty shops, cleaners and laundromats, video game, and other amusement centers, and other similar establishments offering services or products to members of the general public.~~

~~C. Banks. The prohibitions of subsection (A) of this section shall be applicable to banks, including savings and loan associations, credit unions and other similar institutions which offer financial services to members of the general public.~~

~~D. Hotels/Motels. The prohibitions of subsection (A) of this section shall be applicable to hotels and motels in which guests typically rent lodging for continuous periods less than 30 days. Smoking is permissible in rental rooms, manager's unit/residence and in on-premises restaurants and bars as provided in this section and SLTCC 4.100.060. The availability of all nonsmoking rooms will be prominently posted in the lobby sign-in area. The rooms so designated will be posted as "Smoking Prohibited" and ashtrays removed. Customers seeking accommodations will be routinely advised of the availability of nonsmoking rooms.~~

~~E. Terminals. The prohibitions of subsection (A) of this section shall be applicable to depots and other terminals utilized by members of the general public for the purpose of being transported upon or departing from airplanes, trains, buses and taxis.~~

~~F. Buses and Public Transit. Smoking by either passengers or operators shall be prohibited within buses, and all public transit conveyances operated by or licensed by the county or city.~~

~~G. Theaters. The prohibitions of subsection (A) of this section shall be applicable to theaters, including motion picture theaters, meeting halls and auditoriums where motion pictures or live theatrical musical or dramatic productions are made to an audience consisting of members of the general public assembled for the purpose of witnessing the performance or presentation; provided, that neither this section or subsection (A) of this section shall be construed to prevent smoking by performers in connection with a stage production or by persons making a presentation concerning addiction to tobacco or other drugs.~~

~~H. Recreational Facilities. The prohibitions contained in subsection (A) of this section shall be applicable to sports pavilions, gymnasiums, exercise rooms, health spas, boxing arenas, swimming pools, roller and ice skating rinks, and other similar places where members of the general public assemble to either engage in physical exercise, participate in athletic competition or witness sports events.~~

~~Smoking is prohibited at all times within the seating areas of an enclosed arena and in any surrounding enclosed concourses where food and beverages are dispensed.~~

~~I. Recreation Halls. The prohibitions of subsection (A) of this section shall be applicable to recreation halls and other similar facilities where members of the general public bowl, play bingo or cards, dance or engage in recreational, character building or cultural activities. An owner or operator may permit persons to smoke within a portion, not exceeding 50 percent of the main activities area, of such facility and not including restrooms, lounges, and kitchens. Signs will be posted in the manner prescribed by SLTCC 4.100.080. It shall not constitute a violation of this chapter to smoke in a location where smoking has been authorized.~~

~~The provisions of this subsection shall not be construed to in any manner restrict or otherwise impair the authority of an owner or operator to prohibit smoking in such recreation hall.~~

~~J. Restaurants. Within all restaurants, the prohibitions of subsection (A) of this section shall be applicable to lobbies, waiting areas, restrooms and such dining seating areas as are allocated for nonsmoking. After adoption of the ordinance codified in this section the owner, manager, or operator shall post a notice at the restaurant entrance that a nonsmoking section is available. It shall not constitute a violation of this chapter to smoke in a location where smoking has been authorized.~~

~~The provisions of this section shall not be construed to in any manner restrict or otherwise impair the authority of an owner or operator to increase the nonsmoking seating in a restaurant or bar.~~

~~Smoking is prohibited and is unlawful in every publicly or privately owned restaurant except under the following circumstances where smoking may be permitted at the option of the establishment:~~

~~1. Any area exterior to the building in which the establishment is located.~~

~~2. The smoking of tobacco in any bar as defined in SLTCC 4.100.030.~~

~~3. The smoking of tobacco in an interior area shall be limited to not more than 50 percent of contiguous floor space of the dining area which is specifically designated and signed as a smoking area. Signs as prescribed by SLTCC 4.100.080 shall be used.~~

~~K. City Buildings. Smoking is prohibited except where other restrictions have been agreed to through the meet and confer process prior to the effective date of the ordinance codified in this chapter and such restrictions remain in effect.~~

~~L. Places of Exhibition. The prohibitions contained in subsection (A) of this section shall be applicable to libraries, museums, aquariums, galleries, convention halls and similar facilities where members of the general public assemble for the purpose of viewing the exhibition of art,~~

~~artifacts, objects of historical or cultural significance, products, merchandise, equipment, appliances or services.~~

~~M. Schools. The prohibitions contained in subsection (A) of this section shall be applicable to any school or educational institution operated by a commercial enterprise or nonprofit entity for the purpose of providing academic classroom instruction, trade, craft, computer or other technical training, or instruction in dancing, artistic, musical or other cultural skills.~~

~~The prohibitions contained in subsection (A) of this section shall be applicable to public school facilities when school district management authorizes their use by members of the general public other than students.~~

~~N. Day Care Facilities. The prohibitions contained in subsection (A) of this section shall be applicable to private residences during the time when such residences are operated as licensed day care facilities for children.~~

~~4.100.050 Smoking prohibitions – Workplaces.~~

~~Smoking is prohibited in enclosed workplaces of commercial enterprises, nonprofit entities and all city owned and managed buildings except as allowed per SLTCC 4.100.040(K) including but not limited to open office areas, shared offices, private offices except as allowed per SLTCC 4.100.060, hallways, restrooms, escalators, elevators, stairways, lobbies, reception areas, and waiting rooms, classrooms, meeting or conference rooms, and auditoriums.~~

~~On-site cafeterias, lunchrooms and lounges shall be deemed workplaces and smoking prohibited therein, whether or not such facilities are open to members of the general public. A completely separate room with a separate ventilation system may be used per employer discretion.~~

~~Each commercial enterprise, nonprofit entity and the county shall comply with these smoking prohibitions and be responsible for their implementation in the workplace, and "No Smoking" signs shall be posted in the manner prescribed by SLTCC 4.100.080.~~

4.100.~~060~~050 Places where smoking is permissible.

Smoking may be permitted in all locations where smoking is not prohibited by this chapter, including the following locations:

~~A. Bars, whether operated as a separate business entity, or physically separated facilities within a restaurant, nightclub or other business.~~

~~B. Private clubs during events attended exclusively by members of the organization and their invited guests and from which members of the general public are excluded.~~

~~C. Within conference/meeting rooms, public and private assembly rooms, banquet rooms, dining rooms or areas of restaurants, hotels and motels, while these places are occupied for private functions to which only persons specifically invited are entitled to attend and from which members of the general public are excluded.~~

~~D. In an enclosed place wherein this chapter specifically permits smoking, notwithstanding the fact that such location is a workplace.~~

~~E. In a private office or similar enclosed private workplace to which members of the general public are not routinely invited and wherein the tobacco smoke does not, through a common ventilation system or otherwise, affect other areas of the workplace.~~

~~F. Manager's unit/residence of a hotel/motel to which members of the general public are not routinely invited and wherein the tobacco smoke does not, through a common ventilation system or otherwise, affect other areas of the hotel/motel which are designated as nonsmoking areas under this chapter.~~

~~G~~A. Residential units, including those which are used for home occupations under the provisions of SLTCC 6.55.280 ~~and 6.55.290~~; provided, however, that this exemption shall not authorize smoking in any day care or child care facility ~~except as set forth in SLTCC 4.100.040(N)~~.

B. On-site consumption lounges as applied to smoking of cannabis and cannabis products only.

C. Areas where smoking is permitted within certain workplace areas under Labor Code section 6404.5, as may be amended.

It shall not constitute a violation of SLTCC 4.100.040 for a person to smoke in a location where smoking has been authorized in the manner prescribed by this section.

~~The foregoing places are not considered workplaces subject to the provisions of SLTCC 4.100.050. Employers will, however, attempt to find a reasonable alternative accommodation where feasible for nonsmoking employees who do not wish to be assigned to work in a smoking permissible area. The foregoing exempt places do not include city owned or managed buildings.~~

~~**4.100.070 Exemption procedures.**~~

~~Any owner or manager of a business or other establishment subject to this chapter may apply to the director of the El Dorado County department of environmental management for an exemption or modification to its provisions. Exemptions may only be granted on:~~

~~A. A showing by the petitioner of significant financial hardship due to compliance; or~~

~~B. The proposed implementation of an alternative approach or technology which would provide equivalent protection from the health hazards of sidestream smoke; or~~

~~C. Proof that the only persons using the premises are smokers, no member of the public will be present, and no other workplace will be affected by smoke.~~

~~An application for exemption will be accompanied by payment of a reasonable fee established by board of supervisor resolution which will cover the cost of preparation for the hearing, and the application will include any data required by the department. The department will review the application and submit it, with recommendations, for hearing by the environmental health director. The applicant will be entitled to present evidence at the hearing, which will be scheduled within 30 days of the receipt of the application. The department will, after taking into consideration the testimony received at the hearing, issue its findings and recommendations within 10 days of the completion of the hearing. The department will complete procedural action on the application and notice the city council and interested parties within 10 days of its receipt from the director of environmental health.~~

~~The applicant or other interested parties may appeal the department's decision to the city council within 30 days of receipt of action notification by the department. Upon appeal, the city council will set a hearing within 60 days, and make a final determination at that hearing. Any~~

~~establishment holding a currently valid exemption shall not be required to pay additional administrative fees to maintain its exemption.~~

~~**4.100.080 Posting requirements.**~~

~~Each owner, operator, manager or other person having control of an establishment or facility within which smoking is regulated by this chapter shall conspicuously post in every place where smoking is prohibited "No Smoking" signs, or the international "No Smoking" symbol consisting of a pictorial representation of a burning cigarette enclosed in a red circle with a red bar across it, with letters not less than one inch in height.~~

~~An owner, operator, or manager of a building wherein, pursuant to these regulations, smoking is not permitted in any space in the building may limit the "No Smoking" posting to first floor entrances and exits and to the elevator lobby areas of all other floors.~~

~~Motion picture theaters shall show upon the movie or live action screens for at least five seconds prior to the showing of each feature motion picture the message that smoking is prohibited within the audience seating and other areas as specified.~~

~~Restaurants shall post at their entrances a sign stating that nonsmoking seats are available. Likewise, recreational halls shall post signs alerting users of the availability of nonsmoking rooms. Smoking permitted areas in which smoking is permitted will be posted as such.~~

~~Motels and hotels will prominently post in the lobby a sign notifying patrons of the availability of nonsmoking accommodations. The rooms so designated will be posted as nonsmoking rooms, and ashtrays removed.~~

~~**4.100.090 Retaliation prohibited.**~~

~~It shall be unlawful for a commercial enterprise, nonprofit entity or city to retaliate against any members of the general public or an employee or applicant for employment of the enterprise, entity or city because such members of the general public, employee or applicant seeks enforcement of the provisions of this chapter.~~

4.100.~~100~~060 Violation and penalties – Smoking or posting.

Any person who violates the prohibitions contained in SLTCC 4.100.040 ~~and any person who violates SLTCC 4.100.080 by failing to post the signs or take the other actions required by this section~~ shall be guilty of an infraction, punishable in the manner hereinafter prescribed:

A. A fine not exceeding $100.00 for a first violation.

B. A fine not exceeding $200.00 for a second violation of this chapter within one year.

C. A fine not exceeding $500.00 for each additional violation of this chapter within one year.

~~**4.100.110 Retaliation remedies.**~~

~~Violation of any of the provisions of SLTCC 4.100.090 or 4.100.100 shall be remedial through civil action filed in a court of competent jurisdiction for injunctive or other appropriate relief.~~

~~**4.100.120 Enforcement.**~~

~~It shall be the responsibility of the El Dorado County director of the environmental management department to enforce, on behalf of the city, the provisions of this chapter. The director shall be authorized to prosecute, in the name of the city, pursuant to the provisions of Section 25132 of the Government Code, civil actions for recovery of fines for violations of this chapter made infractions by SLTCC 4.100.110 or violations of SLTCC 4.100.040 and 4.100.050. In the performance of the enforcement responsibilities assigned by this chapter, the director of the county environmental management department shall:~~

A. Affirmatively seek the support and cooperation of other local public agencies, such as fire protection districts, to provide information, assistance and advice in the enforcement of the provisions of this chapter;

B. Establish a telephone number through which all complaints by citizens relating to violations of this chapter may be directed or referred;

C. Reduce such complaints to writing, and analyze the frequency and volume thereof in relation to alleged violations of this chapter by or at particular establishments or facilities;

D. Conduct on-site inspection of any establishment or facility with respect to which the nature and volume of complaints suggest long-standing and pronounced violation of any of the provisions of this chapter;

E. Provide to the owner, operator or manager of any such establishment or facility a copy of the provisions of this chapter and such advisory assistance to rectify future violations as may be necessary to achieve compliance with the provisions of this chapter;

F. Follow up such investigations and advice with a written directive explaining in detail the steps required in order to achieve future compliance with the provisions of this chapter; and

G. If the violations do not cease following the expiration of a reasonable period of time, commence civil actions for the recovery of infraction fines pursuant to the provisions of SLTCC 4.100.100 or request commencement of a civil proceeding by the county counsel and/or city attorney, pursuant to the provisions of SLTCC 4.100.110, as may be appropriate.

The provisions of SLTCC 4.100.090 shall not be remedial by either the director of environmental management, or any other county official or city official. Any member of the general public, an employee or applicant for employment may, pursuant to the provisions of SLTCC 4.100.110, commence in his or her name a civil action for injunctive relief, monetary damages or other appropriate relief against a person who violates SLTCC 4.100.090 pursuant to the provisions of SLTCC 4.100.110. A member of the general public or employee shall also be authorized to individually commence a civil action pursuant to the provisions of SLTCC 4.100.110 for injunctive relief, monetary damages or other appropriate relief for the purpose of remedying any other violation of the provisions of this chapter.

4.100.130 Provision to repeal ordinance.

In the event the 1966 contract between the city of South Lake Tahoe and county of El Dorado requiring the health officer to enforce the ordinance codified in this chapter is terminated, the ordinance shall be automatically repealed without further city council action.

Chapter 4.180

CANNABIS PUBLIC SAFETY LICENSE ORDINANCE

Section:

4.180.010 Purpose and intent.
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4.180.010 Purpose and intent.

It is the purpose and intent of this chapter to establish a cannabis public safety license and the procedures for issuance of said license. A cannabis public safety license shall be required as a condition for the continued operation of any cannabis business as set forth in this chapter. The regulations in this chapter are meant to ensure the health, safety, and welfare of the residents of the city of South Lake Tahoe. Cannabis businesses within the city must comply with all provisions of the South Lake Tahoe City Code for obtaining permits and licenses for a cannabis business and must comply with the state cannabis laws and all other applicable local and state laws. Nothing in this chapter permits activities that are otherwise illegal under state or local laws.

4.180.020 Definitions.

As used in this chapter:

"Applicant" means any person who is required to file an application for issuance of a cannabis public safety license to operate a cannabis business under this chapter, including without limitation an individual owner, operator, or agent of a cannabis business.

"Application for renewal" shall mean an application for a renewed cannabis public safety license, which application may be submitted by a licensee.

"Cannabis" shall have the meaning set forth in Cal. Bus. & Prof. Code § 26001(f) and as subsequently amended.

"Cannabis business" shall include:

a. Any business, facility, use, establishment, property, or location, whether fixed or mobile, where a commercial cannabis activity takes place.

b. Any building, facility, use, establishment, property, or location where any person or entity establishes, commences, engages in, conducts, or carries on, or permits another person or entity to establish, commence, engage in, conduct, or carry on, any activity that requires a state license under Cal. Bus. & Prof. Code § 26000 and following, including but not limited to cannabis cultivation, cannabis distribution, cannabis manufacturing, cannabis testing and cannabis retail sales, and the operation of a cannabis microbusiness.

"Cannabis products" shall have the meaning set forth in Cal. Bus. & Prof. Code § 26001(~~i~~k) and as subsequently amended.

"Cannabis use permit" shall mean a use permit issued for the operation of a cannabis business pursuant to Article X of Chapter 6.55 SLTCC.

"Commercial cannabis activity" shall include the cultivation, possession, manufacturing, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products, or acting as a cannabis event organizer for temporary cannabis events.

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

"Curbside delivery" shall mean a sale of cannabis or cannabis products from a licensed retail storefront or licensed microbusiness with retailer component that is delivered to a customer in their vehicle parked immediately outside the retail or microbusiness premises.

"Licensee" shall mean the cannabis business owner identified to the city as such, and to whom a city cannabis public safety license has been issued.

"Operator" shall mean any person responsible for management of the cannabis business; any person listed as an officer, director, manager, or member in statement of information filed with the Secretary of State for a cannabis business; any person listed in a governing document for a cannabis business, such as bylaws, articles of incorporation, or operating agreement; any person owning an interest in the cannabis business, unless the interest is solely a security, lien, or encumbrance; and any person that supervises an employee of the cannabis business.

"Owner" shall have that meaning set forth in Cal. Bus. & Prof. Code § 26001(~~a~~ap) and as it may be amended.

"Permittee" shall mean any person issued a cannabis use permit under Article X of Chapter 6.55 SLTCC.

"Police chief" shall mean the chief of the city of South Lake Tahoe police department.

"Property" shall mean the designated structure or structures and land specified in the cannabis use permit application that is owned, leased or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

"State cannabis laws" means and includes Cal. Health & Safety Code §§ 11362.1 through 11362.45; Cal. Health & Safety Code § 11362.5 (Compassionate Use Act of 1996); Cal. Health & Safety Code §§ 11362.7 through 11362.83 (Medical Marijuana Program); Cal. Bus. & Prof. Code § 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA")); all state laws enacted or amended pursuant to SB-94, Chapter 27, Statutes of 2017; the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; Cal. Labor Code § 147.5; Cal. Rev. & Tax. Code §§ ~~31020 and~~ 34010 through 34021.5; Cal. Fish and Game Code § 12029; Cal. Water Code § 13276; all state regulations adopted ~~pursuant to MAUCRSA~~by the Department of Cannabis Control; any license issued ~~pursuant to MAUCRSA~~by the Department of Cannabis Control; and all other applicable laws of the state of California regulating cannabis or cannabis products.

"State license" shall mean a license from the ~~state~~ Department of Cannabis Control issued pursuant to Division 10 of the Cal. Bus. & Prof. Code.

4.180.030 Cannabis businesses – General provisions.

A. Cannabis Use Permit and Public Safety License Required to Operate. It shall be unlawful for any person to engage in, to conduct or carry on (or to permit to be engaged in, conducted or carried on) in or upon property located within the city the operation of a cannabis business unless that person has first obtained and continues to maintain in full force and effect a valid cannabis use permit issued by the city for that property and that type of cannabis business and a valid cannabis public safety license issued by the city to the owner and/or operator of the cannabis business, pursuant to this chapter.

B. Imposition of Public Safety License Fees.

1. Every application for a cannabis public safety license or renewal of such license shall be accompanied by a license fee in an amount set forth by separate resolution of the city council, which amount is calculated to recover the city's full cost of reviewing, issuing and administering said license. The application fee shall include the standard city fees for fingerprinting, photographing, and background check costs and shall be in addition to any other business license fee or permit fee imposed by this code or other governmental agencies.

2. A fee for renewal of a public safety license will be due annually.

C. Conditions of Operation.

1. Security Plan. A licensee shall provide adequate security on the premises of the cannabis business. The following minimum security standards shall be maintained at all times:

a. Surveillance System.

i. Each cannabis business shall be monitored at all times by a digital closed-circuit television surveillance system. Surveillance systems shall meet any applicable state law requirements, including those set forth in Title 4 of the California Code of Regulations ~~Title 16,~~ § 15044, and any subsequently enacted regulation. The camera and video recording surveillance system must be capable of providing surveillance of both interior and exterior areas of the cannabis business and must be of adequate quality, color rendition and resolution to allow the ready identification of an individual on or adjacent to the property. The recordings shall be maintained at the cannabis business or other location accessible to the police department for a period of not less than ninety (90) days.

ii. A sign shall be posted inside and at the entrances to the establishment indicating that the premises are under camera/video surveillance.

iii. The surveillance system recordings shall be maintained in such manner as to allow remote access by the police department. The police chief may request that the permittee provide secured electronic access to video feeds of the surveillance system in real time, to be provided via an online portal or through other software deemed acceptable to the police chief.

b. Loitering Adjacent to a Cannabis Business. Licensees shall take reasonable measures to reduce loitering by cannabis business members, patrons, guests and invitees in public areas, sidewalks, alleys and areas surrounding the property and adjacent premises during the business hours of the cannabis business.

c. Identification Verification System. Each cannabis business shall require identification upon entry to the cannabis business and shall implement electronic verification of identification provided to ensure that applicable age restrictions in SLTCC 6.55.800(A)(5) are complied with.

d. On-Site Consumption. If a retail cannabis business or a microbusiness with a retailer component includes an on-site consumption area, adequate security and lighting shall be provided for the on-site consumption area to protect the safety of patrons and protect the premises from theft.

e. Curbside Delivery. Curbside delivery of cannabis or cannabis products must occur under video surveillance that meets the requirements of SLTCC 4.180.030(C)(1)(a)(i) for recording point-of-sale areas. Retail employees engaging in curbside delivery must verify each customer's age and identity.

2. Nuisances Prohibited. A licensee shall take reasonable steps to correct objectionable conditions that constitute a nuisance on any public sidewalk or public space abutting the cannabis business premises.

a. For purposes of this section, "objectionable conditions that constitute a nuisance" means public consumption of cannabis or cannabis products, disturbance of the peace, drug trafficking, disposing of litter or trash, or excessive loud noise.

b. For purposes of this section, "reasonable steps" means all of the following:

i. Calling the local law enforcement agency. Timely calls to the local law enforcement agency that are placed by the licensee, or his or her agents or employees, shall not be construed as evidence of objectionable conditions that constitute a nuisance.

ii. Requesting those persons engaging in activities causing objectionable conditions to cease those activities, unless the licensee, or his or her agents or employees, feels that their personal safety would be threatened in making that request.

iii. Making good faith efforts to remove items that facilitate loitering, such as furniture, except those structures approved or permitted by the local jurisdiction. The licensee shall not be liable for the removal of those items that facilitate loitering.

3. On-site Consumption Operations. A licensee with an on-site consumption area shall maintain the following operating conditions, in addition to the operating conditions in this Subsection C, at all times:

a. No person under 21 years of age shall be allowed in the on-site consumption area. Employees shall notify patrons verbally and through posting of a conspicuous sign that entry into the premises by persons under the age of 21 is prohibited.

b. Hours of operating for cannabis sales shall be limited to 6:00am to 10:00pm, and hours of operation in the on-site consumption area shall end no later than 2:00am, or as further limited by the cannabis use permit.

c. The licensee shall implement a ventilation plan to prevent the flow of smoke to all other areas of the cannabis business and neighboring businesses and properties, such that odor generated is not detected outside the consumption area.

d. The licensee shall provide employee training on how to assist customers to avoid overconsumption of edibles. This training must include information about various products the consumption area sells, such as potency, absorption time, and effects.

e. A responsible employee of the cannabis business must be present in the on-site consumption area at all times when it is open to customers.

f. Cannabis products ingested, smoked, or vaped in an on-site consumption area must be purchased on-site.

g. An employee of the cannabis business must securely repackage a customer's opened and unfinished cannabis products before the customer leaves the on-site consumption area.

h. The sale or consumption of alcohol or tobacco products is not allowed on the premises.

i. A licensee allowing smoking or vaping shall comply with SLTCC 4.100 (Clean Air and Health Protection).

j. Employees must cut off service to impaired customers and provide an option for a safe ride home, such as a shuttle, taxi, or ride-share service.

4. State License Required to Operate. Operation of a cannabis business shall not commence until a licensee has obtained a valid state license. Licensees shall maintain a valid state license at all times during operation of a cannabis business.

D. Inspection of Cannabis Business.

1. City officials may enter and inspect, investigate, audit, or review any licensee's cannabis business, without prior notice, to ensure compliance and enforcement of the provisions of this chapter. An inspection, investigation, review or audit may be conducted at any time that the licensee is exercising privileges under the license or at such time otherwise as agreed to by the police chief and the licensee.

2. No licensee or any other person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this chapter.

3. This subsection shall not be construed to require a licensee to cooperate with a request that would require the licensee to waive any constitutional or statutory privilege or to comply with a request for information or other matters within an unreasonable period of time in light of the time constraints of the licensee's business.

E. Notification to Police Department of Security Breaches. Each licensee shall notify the chief of police immediately after discovering any of the following: diversion, theft, loss, or any criminal activity involving the cannabis business; significant discrepancies identified during inventory; or any other breach of security.

F. Transfer of Cannabis Public Safety Licenses Prohibited. Cannabis public safety licenses issued pursuant to this chapter shall be nontransferable to a different person or entity. Any attempt to transfer or any transfer of ownership or control of a cannabis business shall be grounds for revocation of the cannabis public safety license by the chief of police.

4.180.040 Cannabis public safety license – General provisions.

A. Application Procedures.

1. Public safety license application must be approved prior to the applicant initiating the cannabis use permit application process as set forth more fully in Article X of Chapter 6.55 SLTCC.

~~2. Public safety licenses shall not be issued until after the city council has approved a development agreement for the proposed cannabis business.~~

~~3~~2. The city council may set further application procedures and requirements by separate resolution.

B. Application Filing Requirements. A complete cannabis public safety license application or application for renewal or amendment along with all required fees and materials required by this chapter shall be submitted in order for a person, entity, and/or business to be considered for a cannabis public safety license. All cannabis public safety license applications or applications for renewal or amendment shall be filed with the chief of police using forms and authorizations provided by the city.

1. Eligibility for Filing. Public safety license applications and applications for renewal or amendment shall be filed by the owner and/or operator of the cannabis business.

2. Cannabis public safety license applications and applications for renewal or amendment shall include:

a. For each licensee, owner, operator and employee of the cannabis business, a fully legible copy of one valid government-issued form of photo identification, such as a state driver's license or identification card. Acceptable forms of government-issued identification include, but are not limited to, driver's license or photo identity cards issued by the State Department of Motor Vehicles (or equivalent), a passport issued by the United States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents) or a permanent resident card.

b. If the cannabis business is incorporated, a certified copy of the articles of organization, certificate(s) of amendment, bylaws, and statement(s) of information filed with the California Secretary of State for the cannabis business.

c. If the cannabis business is a limited liability company, a certified copy of the articles of organization, certificate(s) of amendment, operating agreement, bylaws, and statement(s) of information filed with the California Secretary of State for the cannabis business.

d. If the cannabis business is an unincorporated association, a copy of the articles of association and any filings made with the California Secretary of State.

e. The name, address, electronic mail address and mobile phone number of the applicant's or licensee's current designated agent for service of process.

f. Emergency Contact. The name, electronic mail address, and mobile phone number of an owner, operator, or manager to act as an on-site community relations staff person to whom the city may provide notice of any operating problems associated with the cannabis business.

g. A statement dated and signed by each applicant, under penalty of perjury, that the applicant has personal knowledge of the information contained in the application, that the information contained therein is true and correct.

3. In addition to a completed public safety license application or application for renewal, applicants or licensees shall provide and submit the following information to the chief of police:

a. The applicant and each owner, operator and employee shall consent to fingerprinting and a criminal background investigation, and shall undergo fingerprinting and a criminal background investigation.

b. Security Plans. Applicants shall provide a plan to provide adequate security on the premises of the cannabis business. The plan shall include standards showing the cannabis business's ability to comply with the conditions of SLTCC 4.180.030(C).

C. Ongoing Filing and Reporting Requirements. Where a cannabis business or licensee replaces, hires, appoints or employs new operators and/or employees to its cannabis business, all such operators and employees shall be required to submit to fingerprinting and a criminal background investigation pursuant to subsection (B)(3) of this section. A cannabis business or licensee has an ongoing obligation to immediately report to the police chief any conviction for an offense listed in SLTCC 4.180.050(A)(3) imposed on an owner, operator and/or employee of the cannabis business or licensee. A cannabis business or licensee shall also have an ongoing obligation to immediately report to the chief of police any of the events listed in SLTCC 4.180.050(A)(4) or (A)(5).

4.180.050 Public safety license ~~and public safety license~~issuance, renewal, and amendment – Approval and denial.

A. Criteria for Issuance. Cannabis public safety license applications or applications for renewal or amendment shall be approved where the chief of police confirms that the following criteria have been met:

1. The applicant and each owner, operator and employee of the cannabis business have authorized and completed fingerprinting.

2. The applicant and each owner, operator and employee of the cannabis business have authorized the use of their fingerprinting results to run a state and nationwide criminal background check.

3. The results of the criminal background checks establish that the applicant, owner(s), operator(s), and employees have not been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business.

The following offenses are substantially related to the qualifications, functions, or duties of a cannabis business:

a. A violent felony conviction, as specified in Cal. Penal Code § 667.5(c).

b. A serious felony conviction, as specified in Cal. Penal Code § 1192.7(c).

c. A felony conviction involving fraud, deceit, or embezzlement.

d. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

e. A felony conviction for drug trafficking with enhancements pursuant to Cal. Health & Safety Code § 11370.4 or 11379.8.

f. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.

4. The applicant has not been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for any unauthorized cannabis activities.

5. The applicant has not been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for cultivation or production of a controlled substance on public or private lands.

6. Security Plan. The applicant or licensee has provided a security plan providing the minimum standards set forth in SLTCC 4.180.030(C)(1).

7. Minimum Age. The applicant or licensee, and each owner, operator and employee of the cannabis business, is at least 21 years of age.

B. In addition to the criteria in Subsection A, the chief of police shall approve amendments to cannabis public safety licenses to allow on-site consumption at retailers or microbusinesses with a retailer component where the chief of police confirms the following criteria have been met:

1. The applicant has provided a site plan that shows the area designated for on-site consumption is physically separated and has a separate secure entrance from the retail storefront, and the area designated for on-site consumption is not visible from a public space and is situated and ventilated to prevent odors perceptible from neighboring properties.

2. If the site plan shows that adding an on-site consumption area will result in expansion of the area for retail use permitted by the cannabis use permit, the planning commission has approved an amendment to the cannabis use permit allowing the enlargement of retail space under SLTCC 6.55.760.

3. The applicant has provided an updated security plan providing the minimum standards set forth in SLTCC 4.180.030(C)(1)(d).

4. The applicant has provided an operations plan providing the minimum standards set forth in SLTCC 4.180.030(C)(3).

C. Criteria for Denial. Cannabis public safety licenses shall not be issued, ~~or~~ renewed, or amended where the chief of police confirms that one or more of the criteria set forth in subsection (A) or (B) of this section have not been met. If the chief of police denies the cannabis public safety license application or application for renewal or amendment, he or she shall specify in writing the reasons for the denial of the application or application for renewal, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to subsection (~~C~~D) of this section.

~~C~~D. Appeal from Chief of Police Determination. An applicant who disagrees with the chief of police's decision to approve or deny a cannabis public safety license application or application for renewal or amendment may appeal the decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC, Administrative Appeals.

4.180.060 Expiration and renewal of cannabis public safety licenses.

A. Cannabis public safety licenses shall expire one year after their issuance.

B. Cannabis public safety licenses must be renewed on an annual basis prior to expiration by filing with the chief of police an application for renewal and a renewal fee in an amount set forth by separate resolution of the city council, which amount is calculated to recover the city's full cost of reviewing, issuing and administering said license.

C. The application for renewal and the renewal fee shall be filed at least 30 days, but not more than 60 days, prior to the expiration of the public safety license. If a timely renewal application is filed, the licensee's cannabis public safety license shall not expire until the date that the chief of police approves or denies the public safety license application for renewal.

D. An application for renewal shall be subject to all filing requirements set forth in SLTCC 4.180.040(B) and (C).

E. The chief of police shall issue or deny an application for renewal in accordance with the provisions of SLTCC 4.180.050.

4.180.070 Suspension and revocation by chief of police.

A. A cannabis public safety license issued under the terms of this chapter shall be suspended or revoked by the chief of police if he or she concludes any of the following:

1. The cannabis business or licensee has violated any of the requirements of this chapter.

2. The cannabis business is being operated in a manner which violates the security plan required by this chapter.

3. The cannabis business is being operated in a manner which constitutes a nuisance.

4. The cannabis business has failed to comply with the conditions of operation set forth in SLTCC 4.180.030(C).

5. The cannabis business has ceased to operate for 30 days or more.

6. Results of a criminal background check establish that a licensee, owner(s), operator(s), and/or employee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business, as set forth in SLTCC 4.~~175~~180.050(A)(3).

7. The applicant has been convicted, cited, fined, or penalized by any state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for any unauthorized cannabis activities.

8. The applicant has been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for cultivation or production of a controlled substance on public or private lands.

9. The cannabis business is being operated in a manner which conflicts with or violates state cannabis laws.

10. A licensee's cannabis use permit issued pursuant to Chapter 6.55 SLTCC has been terminated or revoked.

11. A licensee has attempted to transfer or has transferred a cannabis public safety license to another person or entity.

12. A licensee's state license has been suspended, terminated, or revoked.

B. Expiration. Any cannabis public safety license revoked pursuant to this subsection shall be deemed to be expired and shall no longer entitle the licensee to any privileges authorized by the cannabis public safety license.

C. Appeal from Chief of Police Determination. A licensee who disagrees with the chief of police's decision to suspend or revoke a cannabis public safety license may appeal the police chief's decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC, Administrative Appeals.

4.180.080 No vested rights.

No person(s) shall have any vested rights to a cannabis public safety license, right or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this chapter.

6.55.700 Purpose and intent.

It is the purpose and intent of this article to regulate the cultivation, manufacturing, testing, and sales of medical and adult-use cannabis in order to ensure the health, safety, and welfare of the residents of the city of South Lake Tahoe. The regulations in this article are meant to ensure compliance with the state cannabis laws and are not intended to and do not interfere with a patient's right to use medical cannabis as authorized by the state cannabis laws. Nor do these regulations criminalize the possession or cultivation of cannabis for medical or nonmedical purposes as permitted by the state cannabis laws. Cannabis businesses within the city must comply with all provisions of the city code for obtaining permits for a cannabis business and must comply with the state cannabis laws and all other applicable local and state laws.

6.55.710 Definitions.

For the purposes of this article, the following words and phrases shall have the following meanings:

"Applicant" means any person who is required to file an application for a cannabis use permit ~~and development agreement~~ to operate a cannabis business under this article, including without limitation an individual owner, operator, or agent of a cannabis business.

"Cannabis" shall have the meaning set forth in Section 26001(~~e~~f) of the Business and Professions Code and as subsequently amended.

"Cannabis business" shall include:

a. Any business, facility, use, establishment, property, or location, whether fixed or mobile, where a commercial cannabis activity takes place.

b. Any building, facility, use, establishment, property, or location where any person or entity establishes, commences, engages in, conducts, or carries on, or permits another person or entity to establish, commence, engage in, conduct, or carry on, any activity that requires a state license under Business and Professions Code Section 26000 and following, including but not limited to cannabis cultivation, cannabis distribution, cannabis manufacture, cannabis testing and cannabis retail sales, and the operation of a cannabis microbusiness.

"Cannabis product" shall have the same meaning as in Section 11018.1 of the Health and Safety Code.

"Canopy" means all areas occupied by any portion of a cannabis plant, encompassing all vertical planes (i.e., stacking of plants), whether contiguous or noncontiguous on any one site. The canopy shall be measured by taking the longest length and widest width of existing plants (including all gaps, walkways, and open areas between plants) and multiplying the longest length by the longest width to get the area of the cannabis canopy. Each level of a stacked cultivation will be calculated as a separate canopy.

"Commercial cannabis activity" shall include the cultivation, possession, manufacturing, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products, or acting as a cannabis event organizer for temporary cannabis events.

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

"Cultivator" means any cannabis business engaged in cultivation activities, but specifically excluding cultivation in a private residence or accessory dwelling unit authorized pursuant to SLTCC 6.55.720.

"Day care center" shall have that meaning as set forth in Section 1596.76 of the Health and Safety Code.

"Delivery" means the commercial transfer of cannabis or cannabis products to a customer or patient. "Delivery" also includes the use by a retailer of any technology platform.

"Delivery operation" means a cannabis business that engages in or otherwise provides deliveries.

"Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

"Distributor" means any cannabis business engaged in distribution.

"Drug paraphernalia" shall have the meaning set forth in California Health and Safety Code Section 11014.5, and as subsequently amended.

"Edible cannabis product" means cannabis that is intended to be used, in whole or in part, for human consumption.

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

"Identification card" shall have the meaning set forth in California Health and Safety Code Section 11362.7~~12~~(g), and as may be amended from time to time.

"Manufacture" means to compound, blend, extract, infuse, package, label, or otherwise make or prepare a cannabis product.

"Manufacturer" means any cannabis business that conducts any activities involving the manufacture of a cannabis product.

~~"Medical marijuana dispensary" shall mean a cooperative or collective of four or more members associating at a particular location or real property to cooperatively distribute cannabis to members for medical purposes and that operates on a not-for-profit basis.~~

"Medicinal cannabis" or "medicinal cannabis product" shall have the meaning set forth in California Business and Professions Code Section 26001(~~ai~~al)(1), which includes cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician's recommendation.

"Microbusiness" means a cannabis business that engages in commercial cannabis activities of at least three of the following types of cannabis businesses: retailer, distributor, manufacturer, cultivator.

"Operator" shall mean any person responsible for management of the cannabis business; any person listed as an officer, director, manager, or member in the Statement of Information filed with the Secretary of State for a cannabis business; any person listed in a governing document for a cannabis business, such as bylaws, articles of incorporation, or operating agreement; any person owning an interest in the cannabis business, unless the interest is solely a security, lien, or encumbrance; and any person that supervises an employee of the cannabis business.

"Owner" shall have that meaning set forth in Section 26001(~~am~~ap) of the Business and Professions Code and as it may be amended.

"Package" or "packaging" means any container or wrapper that may be used for enclosing or containing any cannabis or cannabis products. The term "package" does not include any shipping container or outer wrapping used solely for the transportation of cannabis or cannabis products in bulk quantity to another licensee or licensed premises.

"Park" shall mean any land, with public access, intended to provide recreation. For the purposes of this article, "park" also includes public beaches.

"Permittee" shall mean any person issued a cannabis use permit under this article.

"Physician" shall mean a licensed medical doctor, including a doctor of osteopathic medicine as defined in the California Business and Professions Code.

"Property" shall mean the designated structure or structures and land specified in the cannabis use permit application that is owned, leased or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

"Retailer" means any cannabis business that engages in the sale of cannabis or cannabis products to customers, including medical and adult-use cannabis or cannabis products.

"School" means any public or private school providing instruction in kindergarten or any of grades one to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

"State cannabis laws" means and includes California Health and Safety Code Sections 11362.1 through 11362.45; California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program); California Business and Professions Code Section 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)); all state laws enacted or amended pursuant to SB-94, Chapter 27, Statutes of 2017; the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section 147.5; California Revenue and Taxation Code Sections 34010 through 34021.5; California Fish and Game Code Section 12029; California Water Code Section 13276; all state regulations adopted by the Department of Cannabis Control; any license issued by the Department of Cannabis Control; and all other applicable laws of the state of California regulating cannabis or cannabis products.

"Testing laboratory" means a laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products and is licensed by the Department of Cannabis Control.

"Youth centers" shall mean any youth center, as defined in Section 11353.1(e)(2) of the Health and Safety Code, any playground, as defined in Section 11353.1(e)(1) of the Health and Safety Code, and any child day care facility, as that term is defined in Section 1596.750 of the Health and Safety Code.

6.55.720 Residential cultivation of cannabis.

A. No person or entity may cultivate cannabis in any residence in the city, except that a person may cultivate no more than six living cannabis plants inside his or her private residence or inside an accessory structure to his or her private residence located upon the grounds of that private residence that is fully enclosed and secured against unauthorized entry; provided, that the owner of the property provides written consent expressly allowing the cannabis cultivation to occur, there is no use of gas products (CO_2, butane, propane, natural gas, etc.) on the property for purposes of cannabis cultivation, and the cultivation complies with Health and Safety Code Section 11362.2(a)(3), as it may be amended.

B. Amortization of Existing Residential Cultivation Permits. All residential cultivation permits previously issued by the city are hereby deemed amortized and are null and void.

C. No Vested Rights. No person(s) shall have any vested rights to any permit, right or interest under this article, regardless of whether such person(s) cultivated cannabis prior to adoption of the ordinance codified in this article.

D. Public Nuisances. Cultivation shall not create a public nuisance and adversely affect the health or safety of persons residing in or near the residence where the cultivation occurs. A public nuisance may be deemed to exist if cultivation produces:

1. Odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby properties or areas open to the public;

2. More than three substantiated responses to valid confirmed complaints in a one-year time period to the residence from law enforcement officers;

3. More than three disruptions in a one-year time period to the free passage of persons or vehicles in the neighborhood;

4. Excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby properties or areas open to the public in accordance with SLTCC 4.70.160;

5. Adverse effects to health or safety through creation of mold, mildew, dust, glare, heat, noise, noxious gases, odor, smoke, traffic, parking, vibration, or other impacts, or be hazardous because of the use or storage of materials, processes, products or wastes.

E. Environment. Runoff and waste disposal by the residence where cultivation occurs must be in compliance with any applicable city, county, regional, state, and federal laws and regulations. A violation of any applicable city, county, regional, state, or federal law will be deemed a violation of this article.

F. Cultivation of cannabis in residences shall be in conformance with the following requirements:

1. Cultivation shall only occur in fully enclosed and secure structures. All outdoor cultivation of cannabis is strictly prohibited.

2. Cultivation shall only occur in residences which are in full compliance with the city code, including the building code and fire code.

3. No cooking, baking, or alteration as to form and substance of cannabis for commercial purposes, and/or sale, is permitted in a residence which cultivates cannabis.

4. From a public right-of-way, there shall be no exterior evidence of cannabis cultivation occurring at the residence.

6.55.730 Cannabis businesses – Use permit ~~, development agreement,~~ and public safety license required.
It shall be unlawful for any person to engage in, to conduct or carry on (or to permit to be engaged in, conducted or carried on) in or upon property located within the city, the operation of a cannabis business unless that person has first obtained and continues to maintain in full force and effect: a valid cannabis use permit issued by the city for that property~~, a development agreement with the city for use of the property as a cannabis business,~~ and a valid cannabis public safety license issued by the city to the owner and/or operator of the cannabis business, pursuant to Chapter 4.180 SLTCC.

6.55.740 Cannabis businesses – General provisions.
A. Cannabis Businesses Allowed.

1. Only those types of cannabis businesses set forth in this section shall be allowed within the city:

a. Retailers.

b. Microbusinesses.

c. Testing labs.

d. Cultivators.

e. Manufacturers.

f. Distributors.

g. Delivery operations.

~~h. Existing permitted medical marijuana dispensaries, subject to SLTCC 6.55.840.~~

Any and all cannabis businesses, activities, nonprofits, associations, enterprises, collectives, cooperatives or dispensaries not expressly described herein are expressly prohibited. Temporary cannabis events are prohibited within the city.

2. No more than one cannabis business may exist in the same suite or unit on a lot or parcel of property.

3. An owner and/or operator of a cannabis business may not own or operate more than one retail cannabis business, including a microbusiness with a retailer component, within the city.

4. No more than four retailers are permitted in the city, including microbusinesses with a retailer component. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers within the city that originate from retailers outside the city's jurisdictional limits are not subject to this limitation.

5. No more than two microbusinesses are permitted in the city, unless after the application period referenced in SLTCC 6.55.750(C) there are open permits for retailers, cultivators, manufacturers, or distributors, in which case the city council may adopt a resolution to reopen the application period to allow additional microbusinesses combining the open permit types.

6. No more than two cultivators are permitted in the city.

7. No more than four manufacturers are permitted in the city.

8. Distributors are permitted in the city only as part of a microbusiness, unless one or more of the permitted microbusinesses do not include a distributor component, in which case a distributor shall be permitted for each microbusiness without a distributor component.

~~9. Medical marijuana dispensaries operating under SLTCC 6.55.840 shall not be considered in determining the number of retailers, microbusinesses, manufacturers, distributors, or cultivators allowed under subsections (A)(4) through (A)(8) of this section. The maximum number of cannabis businesses permitted under the numerical limitations set forth in subsections (A)(4) through (A)(8) of this section are in addition to any medical marijuana dispensaries operating under SLTCC 6.55.840.~~

B. Limitations on Location.

1. Permissible Zoning. Subject to limitations described in this article and other parts of SLTCC Title 6, and applicable regulations of the Tahoe Regional Planning Agency, cannabis businesses may operate only in a location where such land use will be consistent with the land uses authorized under the applicable area plan, plan area statement, and/or community plan for such location. Table 6.55.740 sets forth the applicable permissible use categories for each type of cannabis business.

Table 6.55.740

City Cannabis Business Type	TRPA Permissible Use Categories
a. Retailers (including delivery operations)	"food and beverage retail sales" and "general merchandise stores"
b. Microbusinesses	
i. Retailer	See a.
ii. Distributor	See f.
iii. Manufacturer	See e.
iv. Cultivator	See d.
c. Testing labs	"industrial services"
d. Cultivators	"industrial services"
e. Manufacturers	"food and kindred products" and "small scale manufacturing"*
f. Distributors	"wholesale and distribution"

* The applicable TRPA permissible use category for a manufacturer will depend on the type of cannabis product being manufactured.

2. Areas and Zones Where Cannabis Businesses Are Not Permitted.

a. Notwithstanding subsection (B)(1) of this section, a cannabis business may not operate on a parcel or lot located within 1,000 feet of a school, or 600 feet of a youth center, or 600 feet of a day care center, or 150 feet of any park, any religious institution, any residential or outpatient drug or alcohol treatment facility licensed by the State Department of Health Care Services, or hospital, that is in existence at the time the cannabis use permit is issued.

Distances under this subsection shall be calculated as a straight line from any parcel line of the property on which the cannabis business is located to the parcel line of the real property on which the facility, building, or structure, or portion of the facility, building or structure, in which the listed use occurs or is located. Locational restrictions shall apply to an entire parcel if any portion of the parcel is located within the applicable buffer distance.

b. Cannabis businesses may not operate on a parcel or lot located within a residential designated land use area, as depicted in the city's general plan.

C. Transfer of Cannabis Use Permits.

1. Permit – Site Specific. A permittee shall not operate a cannabis business under the authority of a cannabis use permit at any place other than the parcel and specified address of the cannabis business stated in the application for the permit. All permits issued by the city pursuant to this article shall be nontransferable to a different location.

2. Transfer of a Permitted Cannabis Business. A permittee shall not transfer ownership or control of a cannabis business or attempt to transfer a cannabis use permit to another person unless and until the transferee obtains an amendment to the cannabis use permit from the planning commission to the permitting requirements of this article stating that the transferee is now the permittee. Such an amendment may be obtained only if the transferee files an application with the development services department in accordance with all provisions of this article accompanied by the required transfer review application deposit.

3. Request for Transfer with a Revocation or Suspension Pending. No cannabis use permit may be transferred (and no permission for a transfer may be issued) when the development services department has notified the permittee in writing that the permit has been or may be suspended or revoked for noncompliance with this chapter and a notice of such suspension or revocation has been provided.

4. Transfer without Permission. Any attempt to transfer a cannabis use permit either directly or indirectly in violation of this chapter is declared void, and the permit shall be deemed revoked.

6.55.750 Cannabis use permit application requirements.

A. Cannabis Public Safety License. Applicants seeking a cannabis use permit ~~and development agreement~~ to operate a cannabis business within the city shall first submit an application for a cannabis public safety license. Upon the chief of police's, or ~~his/her~~their designee's, approval of the application for a cannabis public safety license, the applicant may submit an application for a cannabis use permit ~~and development agreement~~ to operate a cannabis business.

B. Except as set forth in this article, applications for cannabis use permits shall be processed consistent with Article VII (Use Permits and Variances). The city manager, or ~~his/her~~their designee, may recommend, and the city council may establish by resolution, any necessary procedures and application requirements.

C. Use Permits for Retailers, Cultivators, Manufacturers, Distributors, and Microbusinesses. Because only a limited number of retailers, cultivators, manufacturers, distributors, and microbusinesses are permitted, an application period for these businesses shall be established that allows ~~the city to select the best applicants for negotiation of a development agreement. Such~~ applicants ~~shall~~ to be placed on a qualified applicant list. The process and selection criteria for selection of the best applicants to be placed on the qualified applicant list shall be established by resolution of the city council.

D. Applications shall include a requirement that applicants demonstrate owner consent to operate a cannabis business on the property. Applications for cannabis retailers shall also include a statement as to whether the use will include delivery of cannabis and cannabis products to locations outside the retailer's property. If delivery services will be provided, the application shall describe the operational plan and specific extent of such service, security protocols, and how the delivery services will comply with the requirements set forth in this article and state law.

E. Site Plan. Applicants shall submit a site plan that shall include a floor plan, and a scaled premises diagram showing the boundaries of the cannabis business and property with all boundaries, dimensions, entrances and exits, interior partitions and walls, with labeling of each room, windows and common shared entryways. If the proposed cannabis business consists of only a portion of the property, the diagram shall be labeled indicating which part of the property is the proposed cannabis business and what the remaining property is used for.

F. Cost Recovery. Every application for a cannabis use permit shall be accompanied by a deposit (in an amount established by resolution of the city council) and the applicant shall replenish such deposit at the request of the city to allow for recovery of the city's full cost of reviewing and issuing said permit ~~and preparing and considering a development agreement~~.

6.55.760 Review, issuance, and/or denial of cannabis use permit applications.

A. Criteria for Issuance. In addition to the required findings for issuance of a special use permit in SLTCC 6.55.620(B), the planning commission, or the city council on appeal, shall make all of the following findings in determining whether to grant, modify, or deny a cannabis use permit for any cannabis business:

1. If the cannabis business is a microbusiness, retailer, manufacturer, distributor, or cultivator, the applicant is on the qualified applicant list established and maintained by the city.

2. The cannabis use permit application is complete and the applicant has submitted all information and materials required.

3. The proposed location of the cannabis business will comply with the buffer requirements in SLTCC 6.55.740(B) and is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proximity of the proposed cannabis business to a school, youth center, park, church, state licensed drug or alcohol treatment facility, or hospital.

4. The proposed location of the cannabis business is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proposed cannabis business's proximity to another existing or permitted cannabis business, and no significant nuisance issues or problems are likely or anticipated.

5. The design of the cannabis business is compatible with the city's design guidelines.

6. The property is located on a property which is consistent with all development standards of this title.

7. The location is not prohibited under the provisions of this title or any local or state law, statute, rule, or regulation.

8. The cannabis business will not violate any provision of the SLTCC or condition imposed by a city-issued permit, or any provision of any other local or state law, regulation, or order, or any condition imposed by permits issued in compliance with those laws.

9. The site plan for the cannabis business has incorporated features necessary to assist in reducing potential nuisance and crime-related problems. These features may include, but are not limited to, procedures for allowing entry; reduction of opportunities for congregating and obstructing public ways and neighboring property; and limiting furnishings and features that encourage loitering and nuisance behavior.

B. Supplemental Findings – Cannabis Testing Laboratory. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a testing lab:

1. The owners, permittees, operators, and employees of the testing lab will not be associated with any other form of commercial cannabis activity.

2. The testing lab meets the accreditation requirements set forth in Business and Professions Code Section 26100(h) and any applicable regulations enacted by the Department of Cannabis Control.

3. The testing lab operating plan demonstrates proper protocols and procedures for statistically valid sampling methods and accurate certification of cannabis and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.

C. Supplemental Findings – Cultivators. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a cultivator:

1. The cultivation of cannabis for commercial purposes shall only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis will be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides.

4. The applicant for cultivation for cultivation of cannabis with a total canopy size greater than 5,000 square feet per property has submitted documentation that electrical power used for commercial cannabis activity meets the average electricity greenhouse gas emissions intensity required by the local utility provider pursuant to the California Renewables Portfolio Standard Program, and has submitted an energy efficiency plan showing measures being taken to minimize energy consumption in lighting, HVAC, and dehumidifying equipment.

D. Supplemental Findings – Manufacturers. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a manufacturer:

1. The manufacturer shall be limited to 2,500 square feet of fully enclosed space.

2. The manufacturer shall not undertake any volatile extraction activities, and shall only conduct the operations authorized under the “Type 6,” “Type N,” or “Type P” license categories, as defined in the Department of Cannabis Control regulations, Title 4 of the California Code of Regulations, Section 17006, as may be amended.

E. Criteria for Denial. The planning commission shall deny an application that meets any one of the following criteria:

1. Any supervisor, employee, or person having a 10 percent or more financial interest in the cannabis business has been convicted of a felony or a drug-related misdemeanor reclassified by Section 1170.18 of the California Penal Code (Proposition 47) within the past 10 years. A conviction within the meaning of this subsection means a plea or verdict of guilty or a conviction following a plea of nolo contendere;

2. Any person who is listed on the application or is an owner or operator, is a licensed physician making patient recommendations for medical cannabis pursuant to Section 11362.7 of the Health and Safety Code;

3. Any person who is listed on the application or is an owner or operator is less than 21 years of age;

4. The proposed cannabis business does not comply with the provisions of this article or state cannabis laws; and

5. The planning commission is unable to make a required finding contained in this section.

F. Planning Commission Determination. If the planning commission, by a majority vote of a quorum of commissioners, denies the application, the planning commission shall specify in writing the reasons for the denial of the application, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to Chapter 2.35 SLTCC.

~~G. Use Permit and License Issuance. No cannabis use permit shall be issued by the city until a development agreement is approved for the operation of the cannabis business. Within 10 days after the city council's approval of a development agreement for the operation of a cannabis business, the chief of police shall issue all permittees a cannabis public safety license, and the development services department shall issue a cannabis use permit, provided that the planning commission has made all findings required under this section.~~

~~H~~G. Indemnification. Cannabis use permits shall contain a condition requiring the dispensary, through its management members, to execute an agreement in a form approved by the city attorney whereby the cannabis business (1) releases the city, and its agents, officers, elected officials, and employees from any injuries, damages, or liabilities of any kind that result from any arrest or prosecution of the cannabis business or its management members, employees, or members for violation of state or federal laws, (2) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by any party arising out of the city's decision to permit the operation of the cannabis business, and (3) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries of any kind brought by adjacent or nearby property owners or other third parties due to the operations at the cannabis business.

6.55.770 Appeal from planning commission determination.

An applicant or any interested party who disagrees with the planning commission's decision to issue, issue with conditions, or to deny or revoke a cannabis use permit may appeal the planning commission's decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC.

6.55.780 Suspension and revocation by planning commission.

A. Authority to Suspend or Revoke a Cannabis Use Permit. Any permit issued under the terms of this article may be suspended or revoked by the planning commission.

B. A cannabis use permit may be revoked if it appears to the planning commission that the cannabis business has violated any of the requirements of this article or the security plan required pursuant to Chapter 4.180 SLTCC, or the cannabis business is being operated in a manner which constitutes a nuisance, or the cannabis business has ceased to operate for 30 days or more, or the owner or operator of the cannabis business fails to maintain a valid and current public safety license, ~~or the cannabis business has not entered into and/or complied with the terms of a valid development agreement,~~ or the cannabis business is being operated in a manner which conflicts with or violates state cannabis laws.

C. Any cannabis use permit revoked pursuant to this section shall be deemed to be expired and shall no longer entitle the permittee to any uses authorized by the cannabis use permit.

D. Revocation, expiration or nullification of a cannabis public safety license pursuant to SLTCC 4.180.060 and 4.180.070~~, or expiration of a development agreement to operate the cannabis business,~~ shall automatically terminate the cannabis use permit issued to the licensee and shall terminate the ability of the licensee to operate a cannabis business without initiation of revocation proceedings by the planning commission.

E. Annual Review of Cannabis Businesses. The development services department is hereby authorized to conduct an annual review of the operation of each permitted cannabis business within the city for full compliance with the operational, record-keeping, nuisance and other requirements of this article, in coordination with any other departments of the city. Each cannabis business shall pay a fee in an amount established by resolution of the city council which shall be collected in order to reimburse the city for the time involved in the annual review process~~, unless such fee is set forth in a development agreement approved by the city council for such cannabis business~~. The staff may initiate a permit suspension or revocation process for any cannabis business which, upon completion of an annual review, is found not to be in compliance with the requirements of this chapter or which is operating in a manner which constitutes a public nuisance. Staff may, based upon its annual review of the operation of a cannabis business, place on a planning commission meeting agenda, a proposal to suspend or revoke a cannabis use permit.

~~**6.55.790 Development agreement.**~~

~~A. Prior to operating in the city and as a condition of issuance of a cannabis use permit, each cannabis business shall enter into a development agreement pursuant to Government Code Section 65864 et seq. with the city setting forth the terms and conditions under which the cannabis business will operate that are in addition to the requirements of this article, including, but not limited to, public outreach and education, community service, payment of fees and other charges as set forth in subsection (C) of this section, and such other terms and conditions that will protect and promote the public health, safety, and welfare. Further procedures and minimum standards for a development agreement may be enacted by resolution of the city council.~~

~~B. The planning commission shall make a recommendation to the city council on whether to approve a development agreement submitted to it by city staff. The city council shall make a final decision on whether to approve a development agreement recommended to the city council by the planning commission.~~

~~C. Development agreements shall include a provision requiring the payment of a public safety impact mitigation fee based on a pro rata share of projected annual enforcement costs for cannabis businesses within the city. Additionally, applicants may provide for a community public benefit, in an amount not to exceed six percent of gross receipts received.~~

~~D. If the voters of the city of South Lake Tahoe pass a measure approving any tax on any cannabis businesses, any development agreements entered into pursuant to this section shall expire upon the expiration of the term set forth in such development agreement, and shall not be renewed. All cannabis businesses operating pursuant to a development agreement shall be subject to any applicable taxes approved by the voters.~~

6.55.800 Cannabis businesses – Conditions of operation.

A. All Cannabis Businesses. All cannabis businesses shall be operated, maintained, and managed on a day-to-day basis in compliance with the following operational conditions and requirements:

1. State Licensing and Compliance with State Cannabis Laws. The city recognizes that state law requires dual licensing at the state and local level for all cannabis businesses. All operators shall therefore be required to diligently pursue and obtain a state cannabis license at such time as the state begins issuing such licenses, and shall comply at all times with all applicable state cannabis laws.

2. Cannabis Public Safety License. A cannabis business shall maintain a cannabis public safety license at all times. The failure to maintain a cannabis public safety license, revocation of a cannabis public safety license, or lapse in renewal of a cannabis public safety license shall be the basis for immediate termination of the right to operate a cannabis business under a cannabis use permit.

~~3. A cannabis business shall have entered into a development agreement with the city and shall comply with the terms of the development agreement at all times during operations of the cannabis business.~~

~~4~~3. Employees. It shall be unlawful for the applicant, owner, operator, or any other person effectively in charge of any cannabis business to employ any person who is not at least 21 years of age.

~~5~~4. Minors. Persons under the age of 21 years shall not be allowed on the premises of a cannabis business unless they are a qualified patient. The entrance to each cannabis business shall have, clearly and legibly posted, a notice indicating that persons under the age of 18 are prohibited from entering the premises unless they are a qualified patient and they are in the presence of their parent or guardian.

~~6~~5. Every cannabis business shall display, at all times during its regular business hours, the cannabis use permit and cannabis public safety license issued for such cannabis business in a conspicuous place so that the same may be readily seen by all persons entering the cannabis business.

~~7~~6. No cannabis business shall hold or maintain a license from the State Department of Alcoholic Beverage Control for the sale of alcoholic beverages, or operate a business on the premises of the cannabis business that sells alcoholic beverages, or otherwise allow alcoholic beverages to be possessed, distributed, or consumed on the premises.

~~8~~7. No cannabis business shall be a retailer of tobacco products.

~~9~~8. Operation of a cannabis business shall not result in illegal redistribution or sale of cannabis obtained, or the use or distribution in any manner which violates state cannabis laws or this article.

~~10~~9. Odors. All cannabis businesses shall be sited and/or operated in a manner that prevents cannabis odors from being detected off site. All structures utilized for indoor cannabis cultivation shall be equipped and/or maintained with sufficient ventilation controls (e.g., carbon scrubbers) to eliminate nuisance odor emissions from being detected off site.

~~11~~10. Security. The cannabis business shall at all times comply with all elements of its security plan, submitted as a part of its cannabis public safety license application pursuant to Chapter 4.180 SLTCC.

~~12~~11. Signage and Advertising. The cannabis business shall comply with all applicable provisions of Chapter 6.40 SLTCC and any applicable Tahoe Regional Planning Agency regulations. All advertising shall comply with Business and Professions Code Section 26151.

~~13~~12. On-Site Consumption. On-site consumption ~~shall be prohibited~~ is allowed at permitted retailers and microbusinesses with a retailer component upon approval of an amended public safety license under SLTCC 4.180.050 and, if the addition of on-site consumption increases the floor area used for retail, approval of an amended cannabis use permit under SLTCC 6.55.800(B)(2).

~~14~~13. Additional Conditions. The planning commission may impose additional conditions which it deems necessary to ensure that operation of the cannabis business will be in accordance with the standards and regulations provided in this title, the standards set forth by separate resolution of the city council, and applicable state laws.

B. Supplemental Conditions – Retailers. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis retailer shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Retailers may not sell drug paraphernalia and implements that may be used to ingest or consume cannabis except where such sales and operations comply with Health and Safety Code Section 11364.5.

2. Retailers shall not be enlarged in size (i.e., increased floor area) without the planning commission's prior review and approval and an approved amendment to the existing cannabis use permit applied for and issued pursuant to the requirements of this article.

3. Retailers shall only sell, deliver, or give away medical cannabis to individuals authorized to receive medical cannabis in accordance with state cannabis laws. Retailers of medical cannabis shall require such persons receiving medical cannabis to provide valid official identification, such as a Department of Motor Vehicles driver's license or State Identification Card, each time he or she seeks to purchase medical cannabis.

4. Hours of Operation. Retailers may only operate during the hours between 6:00 a.m. through 10:00 p.m., except that authorized on-site consumption areas may operate until 2:00 a.m. with no cannabis sales after 10:00 p.m. The planning commission may further restrict a retailer's days and hours of operation as a condition of a cannabis use permit. A retailer shall post its approved days and hours of operation on a sign located on the street frontage of the cannabis business in a manner consistent with the city's sign regulations. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers are not subject to these limited hours of operation.

5. Retailers shall not have a physician on-site to evaluate patients and/or provide recommendations for the use of medical cannabis.

6. State Seller's Permit. Retailers shall, at all times during operation, maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code.

7. Retailers shall make available lock bags on site for purchase or shall provide information on how to obtain a lock bag.

8. Cannabis and cannabis products shall only be sold as pre-packaged consumer products, and each type of product shall be pre-packaged in a uniform amount per package. Cannabis and cannabis products shall be pre-packaged for general sale and not at the request of any specific customer.

C. Supplemental Conditions – Cultivators. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis cultivation operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Outdoor commercial cultivation prohibited. The cultivation of cannabis for commercial purposes may only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis must be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides. Any fumigation or insecticidal fogging shall comply with the California Fire Code Chapter 26 (Fumigation and Insecticidal Fogging).

4. Screening. Cannabis plants shall not be visible from any location beyond the property.

5. Cultivators shall maintain either the "Type 1A" (specialty indoor), "Type 1B" (specialty mixed-light), "Type 1C" (specialty cottage), "Type 2A" (small indoor), "Type 2B" (small mixed-light), "Type 3A" (indoor), "Type 3B" (mixed-light) or "Type 4" (nursery) licenses as defined in Business and Professions Code Section 26061, and issued by the Department of Cannabis Control, at all times of operation.

6. Cultivators may not engage in retail sales at the same property as cultivation.

D. Supplemental Conditions – Delivery Operations. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis delivery operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Delivery operations shall only be operated by a permitted cannabis retailer that has a physical location and a retail storefront in the city open to the public. A cannabis retailer shall not conduct sales exclusively by delivery. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers within the city that originate from retailers outside the city's jurisdictional limits are not subject to this limitation, but any such delivery operation is required to obtain a public safety license under Chapter 4.180 SLTCC.

2. Vehicles used for deliveries shall have a GPS tracker, and records shall be maintained regarding the location of all deliveries. No more than maximum of $3,000 in cash, or equivalent value of cannabis or cannabis products, may be carried at any time.

E. Supplemental Conditions – Microbusinesses. In addition to each of the conditions of operation set forth in subsection (A) of this section, each microbusiness shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Except as modified by this subsection (E), each microbusiness with a retail component shall comply with all conditions of operation set forth in subsection (B) of this section, each microbusiness with a cultivator component shall comply with all conditions of operation set forth in subsection (C) of this section, each microbusiness with a manufacturer component shall comply with all conditions of operation set forth in subsection (F) of this section, and each microbusiness with a distributor component shall comply with all conditions of operation set forth in subsection (G) of this section.

2. Microbusinesses undertaking manufacturing activity shall utilize only extraction processes that employ nonvolatile solvents for the purposes of extracting cannabinoids and processes that are recognized as safe

pursuant to the Federal Food, Drug, and Cosmetic Act. Microbusinesses undertaking manufacturing activity shall maintain a license of the "Type 6," "Type N," or "Type P" license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

3. The cultivation of cannabis for commercial purposes by microbusinesses shall be limited to 10,000 square feet of total canopy size per property.

4. A microbusiness with a retail component may engage in retail sales on the same property as a cultivation component, but shall limit access to the public to only the retail component of the microbusiness.

F. Supplemental Conditions – Manufacturers. In addition to each of the conditions of operation set forth in subsection (A) of this section, manufacturers shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Manufacturers shall not engage in on-site retail sales of cannabis or cannabis products.

2. Manufacturers shall utilize only extraction processes that employ nonvolatile solvents and are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act.

3. Standard of Equipment. Manufacturing, processing, and analytical testing devices used by manufacturers must be UL (Underwriters Laboratories) listed or otherwise certified by an approved third party testing agency or engineer and approved for the intended use by the city's building official and fire code official.

4. Food Handler Certification. All owners, employees, volunteers, or other individuals that participate in the production of edible cannabis products shall be state-certified food handlers. The valid certificate number of each such owner, employee, volunteer, or other individual must be on record at the property where the individual participates in the production of edible cannabis products.

5. Edible Cannabis Product Manufacturing. Manufacturers that sell or manufacture edible cannabis products shall obtain a county health permit to sell and/or manufacture edible cannabis products. Permit holders shall comply with county health permit requirements.

6. The manufacturer shall maintain a manufacturer license of "Type 6," "Type N," or "Type P" license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

G. Supplemental Conditions – Distributors. In addition to each of the conditions of operation set forth in subsection (A) of this section, distributors shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. No distributor may distribute cannabis from an unlicensed cannabis cultivator or manufacturer. Distributors may only distribute cannabis products between other licensed businesses within the state of California.

2. Distributors may not sell cannabis products directly to consumers, and cannabis distribution facilities shall be fully enclosed and inaccessible to the general public.

H. Maintenance, Access to, and Inspection of Records.

1. Every cannabis business shall maintain on-site, at the property designated for the operation of the cannabis business, all records of the cannabis business.

2. Financial Records. The cannabis business shall maintain a written accounting record or ledger of all cash, receipts, credit card transactions, reimbursements, (including any in-kind contributions), and any and all reasonable compensation for services provided by the cannabis business, as well as records of all operational expenditures and costs incurred by the cannabis business in accordance with generally accepted accounting practices and standards typically applicable to business records.

3. Record Retention Period. The records required in this subsection shall be maintained by the cannabis business for a period of five years and shall be made available to the city within 24 hours of written request.

4. A duly designated city police department or finance department representative may enter and shall be allowed to inspect the premises of every cannabis business as well as the financial and membership records of the cannabis business required by this article at any time during the cannabis business's designated business hours, or at any appropriate time to ensure compliance and enforcement of the provisions of this article. Such representative may also require the cannabis business to also provide access to such financial records electronically. It shall be unlawful for any owner, operator, or any other person having any responsibility over the operation of the cannabis business to refuse to allow, impede, obstruct or interfere with an inspection of the cannabis business or the required records thereof.

6.55.810 Business license tax liability.

An operator of a cannabis business shall be required to apply for and obtain a business and professions tax certificate pursuant to Chapter 3.35 SLTCC as a prerequisite to obtaining a cannabis use permit or operating within the city pursuant to the terms of this article. The cannabis businesses shall be subject to sales tax and other applicable taxes in a manner required by state law.

6.55.820 No vested rights.

No person(s) shall have any vested rights to any permit, right or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this article.

6.55.830 Public nuisance.

Any use or condition caused or permitted to exist in violation of any provision of this article shall be and hereby is declared a public nuisance and may be subject to administrative citations as set forth in Chapter 2.30 SLTCC, summarily abated by the city pursuant to Chapter 4.40 SLTCC and/or Code of Civil Procedure, Section 731, or subject to any other remedy available to the city.

~~**6.55.840 Existing permitted medical marijuana dispensaries.**~~

~~A. Any medical marijuana dispensary operating pursuant to (1) a valid South Lake Tahoe dispensary permit (which permit was issued pursuant to South Lake Tahoe Ordinance No. 1032) as of the effective date of the ordinance codified in this article, or (2) a valid court order authorizing the continued operation of a medical marijuana dispensary pursuant to Ordinance No. 1032, shall be permitted to continue operation subject to compliance with all requirements set forth in Ordinance No. 1032 for a period of three years from the effective date of the ordinance codified in this article to seek permits and licenses required under the city code. During this three-year period, any existing medical marijuana dispensary may temporarily expand its land use to include adult use upon obtaining all required state licensing for such adult use and a cannabis public safety license from the city, and may provide a community public benefit in an amount not to exceed six percent of gross receipts received. At the end of the three-year period, any existing medical marijuana dispensary shall be subject to all city regulations, permit, and license requirements applicable at that time and shall be required to have obtained all applicable permits and licenses prior to continuing operation. The city manager may renew any dispensary permit previously issued pursuant to Ordinance No. 1032 during the three-year period, provided that the requirements for renewal set forth in Ordinance No. 1032 are satisfied, and may modify, deny, suspend or revoke any dispensary permit previously issued in accordance with the requirements for such action by the city manager set forth in Ordinance No. 1032.~~

~~B. Except as set forth herein, nothing in this section shall authorize a physical or operational expansion of any existing permitted medical marijuana dispensary beyond the locations, physical sizes, or uses specifically articulated and allowed under South Lake Tahoe Ordinance No. 1032.~~

~~C. This section shall not create any vested rights to any permit, right or interest under Ordinance No. 1032, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this article or Ordinance No. 1032.~~

Ordinance 2024-XXX

Adopted by the City of South Lake Tahoe
City Council

January 9, 2024

An Ordinance Amending the South Lake Tahoe City Code Chapter 6.55, Article X (Cannabis Regulations), Chapter 4.180 (Cannabis Public Safety License Ordinance), and Chapter 4.100 (Clean Indoor Air and Health Protection) to Allow Curbside Delivery, Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries, and to Comply with Changes in State Law Regarding Smoking in Workplaces

FINDINGS

A. On February 5, 2019, the City Council adopted Ordinance No. 2019-1126 ("Cannabis Ordinance"), which regulates cannabis businesses in order to ensure the health, safety, and welfare of the residents of and visitors to the City of South Lake Tahoe.

B. On February 10, 2022, the Planning Commission conducted a public hearing to consider amendments to the Cannabis Ordinance, and adopted Resolution No. 2022-001 recommending that the City Council adopt an ordinance amending Article X of Chapter 6.55 (Cannabis Regulations) of the South Lake Tahoe City Code to allow on-site consumption and make other changes.

C. On March 15, 2022, the City Council voted instead to adopt a version of the ordinance to continue to prohibit on-site consumption, but included the other changes recommended by the Planning Commission, including allowing permittees to hold multiple non-retail permits and increasing the maximum canopy size for cultivators to 22,000 square feet.

D. At the City Council meeting on August 8, 2023, Councilmember John Friedrich requested that the issue of on-site consumption be brought back to City Council for discussion, which was seconded by Councilmember Tamara Wallace.

E. In 2022, the California Legislature adopted Senate Bill 1186 (The Medicinal Cannabis Patients' Right of Access Act), which effective January 1, 2024, prohibits cities from adopting or enforcing any regulation that directly or indirectly prohibits retail delivery of medicinal cannabis to patients or caregivers, and the proposed ordinance is consistent with SB 1186.

F. Measure G passed in the November 2022 election, establishing a cannabis business and professions tax that is intended to take the place of the community benefit fee contained in development agreements. While the current development agreements will remain in place until their terms expire in 2024-2025, the proposed ordinance would remove the development agreement requirement for any new cannabis business that becomes licensed at a later date.

G. The only business that was subject to Section 6.55.840 (Existing permitted medical marijuana dispensaries), Tahoe Wellness Center, received a cannabis use permit in 2022 and is now operating under the same regulatory framework as the other cannabis businesses such that this provision is no longer needed, and the proposed ordinance would delete it and other references to it.

H. The City allowed curbside delivery during the Covid pandemic under an emergency order without issue, and since then, the Department of Cannabis Control has amended its regulations to permanently allow curbside delivery under 4 Cal. Code Regulations section 15402(d).

I. Under Labor Code section 6404.5, smoking is generally prohibited in workplaces statewide, requiring amendments to the City's Clean Indoor Air and Health Protection Ordinance which has a number of exceptions that are no longer allowed under state law.

J. In accordance with Government Code section 65853, the Planning Commission reviewed and considered the amendments to the zoning and use regulations in Title 6 of the South Lake Tahoe City Code at a duly noticed public hearing and made a recommendation to City Council by adopting Resolution No. 2023-015.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. Chapter 4.100 (Clean Indoor Air and Health Protection) of the South Lake Tahoe City Code is amended to read in its entirety as follows:

Chapter 4.100

CLEAN AIR AND HEALTH PROTECTION

Sections:

4.100.010 Purposes.
4.100.020 Authority.
4.100.030 Definitions.
4.100.040 Smoking prohibitions – Public places.
4.100.050 Places where smoking is permissible.
4.100.060 Violation and penalties.

4.100.010 Purposes.

The U.S. Environmental Protection Agency (EPA) has determined that tobacco smoke is a major source of indoor air pollution and the Surgeon General's 1986 report on the health consequences of involuntary smoking concludes that exposure to tobacco smoke places healthy nonsmokers at increased risk for developing lung cancer. Other health hazards of involuntary smoking include respiratory infection, decreased exercise tolerance, decreased respiratory function, bronchoconstriction, and bronchospasm. While all members of the population are truly at increased risk due to exposure to sidestream tobacco smoke, it constitutes a special health hazard for children, the elderly and people with chronic lung disorders.

The Surgeon General labels smoking "the largest single preventable cause of death and disability for the U.S. population."

More than 80 percent of El Dorado County residents are nonsmokers, and the number of nonsmokers is steadily increasing. Opinion surveys show that a majority of both nonsmokers and smokers favor restrictions on smoking in public places.

Air pollution caused by smoking is an offensive annoyance and irritant. Smoking results in serious and significant physical discomforts of nonsmokers, and constitutes a public nuisance in public places.

This chapter attempts to find a compromise that allows smokers to smoke, and others to breathe smoke-free air.

Health and Safety Code section 11362.3 prohibits smoking cannabis or cannabis products in a public place and in a location where smoking tobacco is prohibited.

This chapter is not to be interpreted as requiring any establishment to provide a smoking area.

4.100.020 Authority.
This chapter is enacted pursuant to Health and Safety Code section 118910 for the purpose of restricting and regulating smoking in public places in order to reduce the hazards and nuisances which smoking causes to those who are involuntarily exposed.

4.100.030 Definitions.
As used in this chapter, the words and phrases shall have the following meanings:

A. “Person” means any natural person, partnership, corporation, unincorporated association, joint venture, business trust, joint stock company, club, or other organization of any kind.

B. “Smoking” means inhaling, exhaling, burning, or carrying any lighted or heated pipe, cigar, cigarette, or any other lighted or heated tobacco or plant product intended for inhalation, in any manner or in any form. Smoking includes the use of an electronic smoking device that creates an aerosol or a vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking.

C. “Tobacco shop” means any business establishment, the main purpose of which is the sale of tobacco products, including, but not limited to, cigars, pipe tobacco, and smoking accessories.

4.100.040 Smoking prohibitions – Public places.
Except as specifically provided, it is unlawful for any other person to smoke in the public places named and described in subsections (A) through (C) of this section, inclusive, and other public places similarly situated, including but not limited to the following areas:

A. Outdoor public recreation areas owned, operated, or maintained by the city, including parks and beaches as defined in SLTCC 8.05.010, golf courses, and campgrounds;

B. Parking lots, parking structures, and parking areas owned, operated, or maintained by the city; and

C. Other places in which members of the general public congregate or otherwise frequent.

4.100.050 Places where smoking is permissible.
Smoking may be permitted in all locations where smoking is not prohibited by this chapter, including the following locations:

A. Residential units, including those which are used for home occupations under the provisions of SLTCC 6.55.280; provided, however, that this exemption shall not authorize smoking in any day care or child care facility.

B. Areas where smoking is permitted within certain workplace areas under Labor Code section 6404.5, as may be amended.

It shall not constitute a violation of SLTCC 4.100.040 for a person to smoke in a location where smoking has been authorized in the manner prescribed by this section.

4.100.060 Violation and penalties – Smoking or posting.
Any person who violates the prohibitions contained in SLTCC 4.100.040 shall be guilty of an infraction, punishable in the manner hereinafter prescribed:

A. A fine not exceeding $100.00 for a first violation.

B. A fine not exceeding $200.00 for a second violation of this chapter within one year.

C. A fine not exceeding $500.00 for each additional violation of this chapter within one year.

SECTION 2. Chapter 4.180 (Cannabis Public Safety License Ordinance) of the South Lake Tahoe City Code is amended to read in its entirety as follows:

Chapter 4.180

CANNABIS PUBLIC SAFETY LICENSE ORDINANCE

Section:
4.180.010 Purpose and intent.
4.180.020 Definitions.
4.180.030 Cannabis businesses – General provisions.
4.180.040 Cannabis public safety license – General provisions.
4.180.050 Public safety license and public safety license renewal – Approval and denial.
4.180.060 Expiration and renewal of cannabis public safety licenses.
4.180.070 Suspension and revocation by chief of police.
4.180.080 No vested rights.

4.180.010 Purpose and intent.
It is the purpose and intent of this chapter to establish a cannabis public safety license and the procedures for issuance of said license. A cannabis public safety license shall be required as a condition for the continued operation of any cannabis business as set forth in this chapter. The regulations in this chapter are meant to ensure the health, safety, and welfare of the residents of the city of South Lake Tahoe. Cannabis businesses within the city must comply with all provisions of the South Lake Tahoe City Code for obtaining permits and licenses for a cannabis business and must comply with the state cannabis laws and all other applicable local and state laws. Nothing in this chapter permits activities that are otherwise illegal under state or local laws.

4.180.020 Definitions.
As used in this chapter:

“Applicant” means any person who is required to file an application for issuance of a cannabis public safety license to operate a cannabis business under this chapter, including without limitation an individual owner, operator, or agent of a cannabis business.

“Application for renewal” shall mean an application for a renewed cannabis public safety license, which application may be submitted by a licensee.

“Cannabis” shall have the meaning set forth in Cal. Bus. & Prof. Code § 26001(f) and as subsequently amended.

“Cannabis business” shall include:

a. Any business, facility, use, establishment, property, or location, whether fixed or mobile, where a commercial cannabis activity takes place.

b. Any building, facility, use, establishment, property, or location where any person or entity establishes, commences, engages in, conducts, or carries on, or permits another person or entity to establish, commence, engage in, conduct, or carry on, any activity that requires a state license under Cal. Bus. & Prof. Code § 26000 and following, including but not limited to cannabis cultivation, cannabis distribution, cannabis manufacturing, cannabis testing and cannabis retail sales, and the operation of a cannabis microbusiness.

“Cannabis products” shall have the meaning set forth in Cal. Bus. & Prof. Code § 26001(k) and as subsequently amended.

“Cannabis use permit” shall mean a use permit issued for the operation of a cannabis business pursuant to Article X of Chapter 6.55 SLTCC.

“Commercial cannabis activity” shall include the cultivation, possession, manufacturing, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products, or acting as a cannabis event organizer for temporary cannabis events.

“Cultivation” shall mean any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

“Curbside delivery” shall mean a sale of cannabis or cannabis products from a licensed retail storefront or licensed microbusiness with retailer component that is delivered to a customer in their vehicle parked immediately outside the retail or microbusiness premises.

“Licensee” shall mean the cannabis business owner identified to the city as such, and to whom a city cannabis public safety license has been issued.

“Operator” shall mean any person responsible for management of the cannabis business; any person listed as an officer, director, manager, or member in statement of information filed with the Secretary of State for a cannabis business; any person listed in a governing document for a cannabis business, such as bylaws, articles of incorporation, or operating agreement; any person owning an interest in the cannabis business, unless the interest is solely a security, lien, or encumbrance; and any person that supervises an employee of the cannabis business.

“Owner” shall have that meaning set forth in Cal. Bus. & Prof. Code § 26001(ap) and as it may be amended.

“Permittee” shall mean any person issued a cannabis use permit under Article X of Chapter 6.55 SLTCC.

“Police chief” shall mean the chief of the city of South Lake Tahoe police department.

“Property” shall mean the designated structure or structures and land specified in the cannabis use permit application that is owned, leased or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

“State cannabis laws” means and includes Cal. Health & Safety Code §§ 11362.1 through 11362.45; Cal. Health & Safety Code § 11362.5 (Compassionate Use Act of 1996); Cal. Health & Safety Code §§ 11362.7 through 11362.83 (Medical Marijuana Program); Cal. Bus. & Prof. Code § 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”)); all state laws enacted or amended pursuant to SB-94, Chapter 27, Statutes of 2017; the California Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; Cal. Labor Code § 147.5; Cal. Rev. & Tax. Code §§ 34010 through 34021.5; Cal. Fish and Game Code § 12029; Cal. Water Code § 13276; all state regulations adopted by the Department of Cannabis Control; any license issued by the Department of Cannabis Control; and all other applicable laws of the state of California regulating cannabis or cannabis products.

“State license” shall mean a license from the Department of Cannabis Control issued pursuant to Division 10 of the Cal. Bus. & Prof. Code.

4.180.030 Cannabis businesses – General provisions.

A. Cannabis Use Permit and Public Safety License Required to Operate. It shall be unlawful for any person to engage in, to conduct or carry on (or to permit to be engaged in, conducted or carried on) in or upon property located within the city the operation of a cannabis business unless that person has first obtained and continues to maintain in full force and effect a valid cannabis use permit issued by the city for that property and that type of cannabis business and a valid cannabis public safety license issued by the city to the owner and/or operator of the cannabis business, pursuant to this chapter.

B. Imposition of Public Safety License Fees.

1. Every application for a cannabis public safety license or renewal of such license shall be accompanied by a license fee in an amount set forth by separate resolution of the city council, which amount is calculated to recover the city’s full cost of reviewing, issuing and administering said license. The application fee shall include the standard city fees for fingerprinting, photographing, and background check costs and shall be in addition to any other business license fee or permit fee imposed by this code or other governmental agencies.

2. A fee for renewal of a public safety license will be due annually.

C. Conditions of Operation.

1. Security Plan. A licensee shall provide adequate security on the premises of the cannabis business. The following minimum security standards shall be maintained at all times:

a. Surveillance System.

i. Each cannabis business shall be monitored at all times by a digital closed-circuit television surveillance system. Surveillance systems shall meet any applicable state law requirements, including those set forth in Title 4 of the California Code of Regulations § 15044, and any subsequently enacted

regulation. The camera and video recording surveillance system must be capable of providing surveillance of both interior and exterior areas of the cannabis business and must be of adequate quality, color rendition and resolution to allow the ready identification of an individual on or adjacent to the property. The recordings shall be maintained at the cannabis business or other location accessible to the police department for a period of not less than ninety (90) days.

ii. A sign shall be posted inside and at the entrances to the establishment indicating that the premises are under camera/video surveillance.

iii. The surveillance system recordings shall be maintained in such manner as to allow remote access by the police department. The police chief may request that the permittee provide secured electronic access to video feeds of the surveillance system in real time, to be provided via an online portal or through other software deemed acceptable to the police chief.

b. Loitering Adjacent to a Cannabis Business. Licensees shall take reasonable measures to reduce loitering by cannabis business members, patrons, guests and invitees in public areas, sidewalks, alleys and areas surrounding the property and adjacent premises during the business hours of the cannabis business.

c. Identification Verification System. Each cannabis business shall require identification upon entry to the cannabis business and shall implement electronic verification of identification provided to ensure that applicable age restrictions in SLTCC 6.55.800(A)(5) are complied with.

d. Curbside Delivery. Curbside delivery of cannabis or cannabis products must occur under video surveillance that meets the requirements of SLTCC 4.180.030(C)(1)(a)(i) for recording point-of-sale areas. Retail employees engaging in curbside delivery must verify each customer's age and identity.

2. Nuisances Prohibited. A licensee shall take reasonable steps to correct objectionable conditions that constitute a nuisance on any public sidewalk or public space abutting the cannabis business premises.

a. For purposes of this section, "objectionable conditions that constitute a nuisance" means public consumption of cannabis or cannabis products, disturbance of the peace, drug trafficking, disposing of litter or trash, or excessive loud noise.

b. For purposes of this section, "reasonable steps" means all of the following:

i. Calling the local law enforcement agency. Timely calls to the local law enforcement agency that are placed by the licensee, or his or her agents or employees, shall not be construed as evidence of objectionable conditions that constitute a nuisance.

ii. Requesting those persons engaging in activities causing objectionable conditions to cease those activities, unless the licensee, or his or her agents or employees, feels that their personal safety would be threatened in making that request.

iii. Making good faith efforts to remove items that facilitate loitering, such as furniture, except those structures approved or permitted by the local jurisdiction.

The licensee shall not be liable for the removal of those items that facilitate loitering.

3. State License Required to Operate. Operation of a cannabis business shall not commence until a licensee has obtained a valid state license. Licensees shall maintain a valid state license at all times during operation of a cannabis business.

D. Inspection of Cannabis Business.

1. City officials may enter and inspect, investigate, audit, or review any licensee's cannabis business, without prior notice, to ensure compliance and enforcement of the provisions of this chapter. An inspection, investigation, review or audit may be conducted at any time that the licensee is exercising privileges under the license or at such time otherwise as agreed to by the police chief and the licensee.

2. No licensee or any other person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this chapter.

3. This subsection shall not be construed to require a licensee to cooperate with a request that would require the licensee to waive any constitutional or statutory privilege or to comply with a request for information or other matters within an unreasonable period of time in light of the time constraints of the licensee's business.

E. Notification to Police Department of Security Breaches. Each licensee shall notify the chief of police immediately after discovering any of the following: diversion, theft, loss, or any criminal activity involving the cannabis business; significant discrepancies identified during inventory; or any other breach of security.

F. Transfer of Cannabis Public Safety Licenses Prohibited. Cannabis public safety licenses issued pursuant to this chapter shall be nontransferable to a different person or entity. Any attempt to transfer or any transfer of ownership or control of a cannabis business shall be grounds for revocation of the cannabis public safety license by the chief of police.

4.180.040 Cannabis public safety license – General provisions.

A. Application Procedures.

1. Public safety license application must be approved prior to the applicant initiating the cannabis use permit application process as set forth more fully in Article X of Chapter 6.55 SLTCC.

2. The city council may set further application procedures and requirements by separate resolution.

B. Application Filing Requirements. A complete cannabis public safety license application or application for renewal or amendment along with all required fees and materials required by this chapter shall be submitted in order for a person, entity, and/or business to be considered for a cannabis public safety license. All cannabis public safety license applications or applications for renewal or amendment shall be filed with the chief of police using forms and authorizations provided by the city.

1. Eligibility for Filing. Public safety license applications and applications for renewal or amendment shall be filed by the owner and/or operator of the cannabis business.

2. Cannabis public safety license applications and applications for renewal or amendment shall include:

   a. For each licensee, owner, operator and employee of the cannabis business, a fully legible copy of one valid government-issued form of photo identification, such as a state driver's license or identification card. Acceptable forms of government-issued identification include, but are not limited to, driver's license or photo identity cards issued by the State Department of Motor Vehicles (or equivalent), a passport issued by the United States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents) or a permanent resident card.

   b. If the cannabis business is incorporated, a certified copy of the articles of organization, certificate(s) of amendment, bylaws, and statement(s) of information filed with the California Secretary of State for the cannabis business.

   c. If the cannabis business is a limited liability company, a certified copy of the articles of organization, certificate(s) of amendment, operating agreement, bylaws, and statement(s) of information filed with the California Secretary of State for the cannabis business.

   d. If the cannabis business is an unincorporated association, a copy of the articles of association and any filings made with the California Secretary of State.

   e. The name, address, electronic mail address and mobile phone number of the applicant's or licensee's current designated agent for service of process.

   f. Emergency Contact. The name, electronic mail address, and mobile phone number of an owner, operator, or manager to act as an on-site community relations staff person to whom the city may provide notice of any operating problems associated with the cannabis business.

   g. A statement dated and signed by each applicant, under penalty of perjury, that the applicant has personal knowledge of the information contained in the application, that the information contained therein is true and correct.

3. In addition to a completed public safety license application or application for renewal, applicants or licensees shall provide and submit the following information to the chief of police:

   a. The applicant and each owner, operator and employee shall consent to fingerprinting and a criminal background investigation, and shall undergo fingerprinting and a criminal background investigation.

   b. Security Plans. Applicants shall provide a plan to provide adequate security on the premises of the cannabis business. The plan shall include standards showing the cannabis business's ability to comply with the conditions of SLTCC 4.180.030(C).

C. Ongoing Filing and Reporting Requirements. Where a cannabis business or licensee replaces, hires, appoints or employs new operators and/or employees to its cannabis business, all such operators and employees shall be required to submit to fingerprinting and a criminal background investigation pursuant to subsection (B)(3) of this section. A cannabis business or licensee has an ongoing obligation to immediately report to the police chief any conviction for an offense listed in SLTCC 4.180.050(A)(3) imposed on an owner, operator and/or employee of the cannabis business or licensee. A cannabis business or licensee shall also have an

ongoing obligation to immediately report to the chief of police any of the events listed in SLTCC 4.180.050(A)(4) or (A)(5).

4.180.050 Public safety license issuance, renewal, and amendment – Approval and denial.

A. Criteria for Issuance. Cannabis public safety license applications or applications for renewal or amendment shall be approved where the chief of police confirms that the following criteria have been met:

1. The applicant and each owner, operator and employee of the cannabis business have authorized and completed fingerprinting.

2. The applicant and each owner, operator and employee of the cannabis business have authorized the use of their fingerprinting results to run a state and nationwide criminal background check.

3. The results of the criminal background checks establish that the applicant, owner(s), operator(s), and employees have not been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business.

The following offenses are substantially related to the qualifications, functions, or duties of a cannabis business:

a. A violent felony conviction, as specified in Cal. Penal Code § 667.5(c).

b. A serious felony conviction, as specified in Cal. Penal Code § 1192.7(c).

c. A felony conviction involving fraud, deceit, or embezzlement.

d. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

e. A felony conviction for drug trafficking with enhancements pursuant to Cal. Health & Safety Code § 11370.4 or 11379.8.

f. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.

4. The applicant has not been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for any unauthorized cannabis activities.

5. The applicant has not been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for cultivation or production of a controlled substance on public or private lands.

6. Security Plan. The applicant or licensee has provided a security plan providing the minimum standards set forth in SLTCC 4.180.030(C)(1).

7. Minimum Age. The applicant or licensee, and each owner, operator and employee of the cannabis business, is at least 21 years of age.

B. Criteria for Denial. Cannabis public safety licenses shall not be issued, renewed, or amended where the chief of police confirms that one or more of the criteria set forth in subsection (A) of this section have not been met. If the chief of police denies the cannabis public safety license application or application for renewal or amendment, he or she shall specify in writing the reasons for the denial of the application or application for renewal, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to subsection (C) of this section.

C. Appeal from Chief of Police Determination. An applicant who disagrees with the chief of police's decision to approve or deny a cannabis public safety license application or application for renewal or amendment may appeal the decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC, Administrative Appeals.

4.180.060 Expiration and renewal of cannabis public safety licenses.

A. Cannabis public safety licenses shall expire one year after their issuance.

B. Cannabis public safety licenses must be renewed on an annual basis prior to expiration by filing with the chief of police an application for renewal and a renewal fee in an amount set forth by separate resolution of the city council, which amount is calculated to recover the city's full cost of reviewing, issuing and administering said license.

C. The application for renewal and the renewal fee shall be filed at least 30 days, but not more than 60 days, prior to the expiration of the public safety license. If a timely renewal application is filed, the licensee's cannabis public safety license shall not expire until the date that the chief of police approves or denies the public safety license application for renewal.

D. An application for renewal shall be subject to all filing requirements set forth in SLTCC 4.180.040(B) and (C).

E. The chief of police shall issue or deny an application for renewal in accordance with the provisions of SLTCC 4.180.050.

4.180.070 Suspension and revocation by chief of police.

A. A cannabis public safety license issued under the terms of this chapter shall be suspended or revoked by the chief of police if he or she concludes any of the following:

1. The cannabis business or licensee has violated any of the requirements of this chapter.

2. The cannabis business is being operated in a manner which violates the security plan required by this chapter.

3. The cannabis business is being operated in a manner which constitutes a nuisance.

4. The cannabis business has failed to comply with the conditions of operation set forth in SLTCC 4.180.030(C).

5. The cannabis business has ceased to operate for 30 days or more.

6. Results of a criminal background check establish that a licensee, owner(s), operator(s), and/or employee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business, as set forth in SLTCC 4.180.050(A)(3).

7. The applicant has been convicted, cited, fined, or penalized by any state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately

preceding the application for a cannabis public safety license or cannabis public safety renewal license, for any unauthorized cannabis activities.

8. The applicant has been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for cultivation or production of a controlled substance on public or private lands.

9. The cannabis business is being operated in a manner which conflicts with or violates state cannabis laws.

10. A licensee's cannabis use permit issued pursuant to Chapter 6.55 SLTCC has been terminated or revoked.

11. A licensee has attempted to transfer or has transferred a cannabis public safety license to another person or entity.

12. A licensee's state license has been suspended, terminated, or revoked.

B. Expiration. Any cannabis public safety license revoked pursuant to this subsection shall be deemed to be expired and shall no longer entitle the licensee to any privileges authorized by the cannabis public safety license.

C. Appeal from Chief of Police Determination. A licensee who disagrees with the chief of police's decision to suspend or revoke a cannabis public safety license may appeal the police chief's decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC, Administrative Appeals.

4.180.080 No vested rights.

No person(s) shall have any vested rights to a cannabis public safety license, right or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this chapter.

SECTION 3. Article X (Cannabis Regulations) of Chapter 6.55 of the South Lake Tahoe City Code is amended to read in its entirety as follows:

Article X. Cannabis Regulations

6.55.700 Purpose and intent.
6.55.710 Definitions.
6.55.720 Residential cultivation of cannabis.
6.55.730 Cannabis businesses – Use permit, development agreement, and public safety license required.
6.55.740 Cannabis businesses – General provisions.
6.55.750 Cannabis use permit application requirements.
6.55.760 Review, issuance, and/or denial of cannabis use permit applications.
6.55.770 Appeal from planning commission determination.
6.55.780 Suspension and revocation by planning commission.
6.55.790 [Reserved]
6.55.800 Cannabis businesses – Conditions of operation.
6.55.810 Business license tax liability.

6.55.820 No vested rights.
6.55.830 Public nuisance.

6.55.700 Purpose and intent.

It is the purpose and intent of this article to regulate the cultivation, manufacturing, testing, and sales of medical and adult-use cannabis in order to ensure the health, safety, and welfare of the residents of the city of South Lake Tahoe. The regulations in this article are meant to ensure compliance with the state cannabis laws and are not intended to and do not interfere with a patient's right to use medical cannabis as authorized by the state cannabis laws. Nor do these regulations criminalize the possession or cultivation of cannabis for medical or nonmedical purposes as permitted by the state cannabis laws. Cannabis businesses within the city must comply with all provisions of the city code for obtaining permits for a cannabis business and must comply with the state cannabis laws and all other applicable local and state laws.

6.55.710 Definitions.

For the purposes of this article, the following words and phrases shall have the following meanings:

"Applicant" means any person who is required to file an application for a cannabis use permit to operate a cannabis business under this article, including without limitation an individual owner, operator, or agent of a cannabis business.

"Cannabis" shall have the meaning set forth in Section 26001(f) of the Business and Professions Code and as subsequently amended.

"Cannabis business" shall include:

a. Any business, facility, use, establishment, property, or location, whether fixed or mobile, where a commercial cannabis activity takes place.

b. Any building, facility, use, establishment, property, or location where any person or entity establishes, commences, engages in, conducts, or carries on, or permits another person or entity to establish, commence, engage in, conduct, or carry on, any activity that requires a state license under Business and Professions Code Section 26000 and following, including but not limited to cannabis cultivation, cannabis distribution, cannabis manufacture, cannabis testing and cannabis retail sales, and the operation of a cannabis microbusiness.

"Cannabis product" shall have the same meaning as in Section 11018.1 of the Health and Safety Code.

"Canopy" means all areas occupied by any portion of a cannabis plant, encompassing all vertical planes (i.e., stacking of plants), whether contiguous or noncontiguous on any one site. The canopy shall be measured by taking the longest length and widest width of existing plants (including all gaps, walkways, and open areas between plants) and multiplying the longest length by the longest width to get the area of the cannabis canopy. Each level of a stacked cultivation will be calculated as a separate canopy.

"Commercial cannabis activity" shall include the cultivation, possession, manufacturing, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products, or acting as a cannabis event organizer for temporary cannabis events.

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

“Cultivator” means any cannabis business engaged in cultivation activities, but specifically excluding cultivation in a private residence or accessory dwelling unit authorized pursuant to SLTCC 6.55.720.

“Day care center” shall have that meaning as set forth in Section 1596.76 of the Health and Safety Code.

“Delivery” means the commercial transfer of cannabis or cannabis products to a customer or patient. “Delivery” also includes the use by a retailer of any technology platform.

“Delivery operation” means a cannabis business that engages in or otherwise provides deliveries.

“Distribution” means the procurement, sale, and transport of cannabis and cannabis products between licensees.

“Distributor” means any cannabis business engaged in distribution.

“Drug paraphernalia” shall have the meaning set forth in California Health and Safety Code Section 11014.5, and as subsequently amended.

“Edible cannabis product” means cannabis that is intended to be used, in whole or in part, for human consumption.

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

“Identification card” shall have the meaning set forth in California Health and Safety Code Section 11362.7(g), and as may be amended from time to time.

“Manufacture” means to compound, blend, extract, infuse, package, label, or otherwise make or prepare a cannabis product.

“Manufacturer” means any cannabis business that conducts any activities involving the manufacture of a cannabis product.

“Medicinal cannabis” or “medicinal cannabis product” shall have the meaning set forth in California Business and Professions Code Section 26001(al)(1), which includes cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician’s recommendation.

“Microbusiness” means a cannabis business that engages in commercial cannabis activities of at least three of the following types of cannabis businesses: retailer, distributor, manufacturer, cultivator.

“Operator” shall mean any person responsible for management of the cannabis business; any person listed as an officer, director, manager, or member in the Statement of Information filed with the Secretary of State for a cannabis business; any person listed in a governing document for a cannabis business, such as bylaws, articles of incorporation, or operating agreement; any person owning an interest in the cannabis business, unless the interest is solely a security, lien, or encumbrance; and any person that supervises an employee of the cannabis business.

“Owner” shall have that meaning set forth in Section 26001(ap) of the Business and Professions Code and as it may be amended.

“Package” or “packaging” means any container or wrapper that may be used for enclosing or containing any cannabis or cannabis products. The term “package” does not include any shipping

container or outer wrapping used solely for the transportation of cannabis or cannabis products in bulk quantity to another licensee or licensed premises.

“Park” shall mean any land, with public access, intended to provide recreation. For the purposes of this article, “park” also includes public beaches.

“Permittee” shall mean any person issued a cannabis use permit under this article.

“Physician” shall mean a licensed medical doctor, including a doctor of osteopathic medicine as defined in the California Business and Professions Code.

“Property” shall mean the designated structure or structures and land specified in the cannabis use permit application that is owned, leased or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

“Retailer” means any cannabis business that engages in the sale of cannabis or cannabis products to customers, including medical and adult-use cannabis or cannabis products.

“School” means any public or private school providing instruction in kindergarten or any of grades one to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

“State cannabis laws” means and includes California Health and Safety Code Sections 11362.1 through 11362.45; California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program); California Business and Professions Code Section 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)); all state laws enacted or amended pursuant to SB-94, Chapter 27, Statutes of 2017; the California Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section 147.5; California Revenue and Taxation Code Sections 34010 through 34021.5; California Fish and Game Code Section 12029; California Water Code Section 13276; all state regulations adopted by the Department of Cannabis Control; any license issued by the Department of Cannabis Control; and all other applicable laws of the state of California regulating cannabis or cannabis products.

“Testing laboratory” means a laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products and is licensed by the Department of Cannabis Control.

“Youth centers” shall mean any youth center, as defined in Section 11353.1(e)(2) of the Health and Safety Code, any playground, as defined in Section 11353.1(e)(1) of the Health and Safety Code, and any child day care facility, as that term is defined in Section 1596.750 of the Health and Safety Code.

6.55.720 Residential cultivation of cannabis.

A. No person or entity may cultivate cannabis in any residence in the city, except that a person may cultivate no more than six living cannabis plants inside his or her private residence or inside an accessory structure to his or her private residence located upon the grounds of that private residence that is fully enclosed and secured against unauthorized entry; provided, that the owner of the property provides written consent expressly allowing the cannabis cultivation to occur, there is no use of gas products (CO_2, butane, propane, natural gas, etc.) on the property for purposes of cannabis cultivation, and the cultivation complies with Health and Safety Code Section 11362.2(a)(3), as it may be amended.

B. Amortization of Existing Residential Cultivation Permits. All residential cultivation permits previously issued by the city are hereby deemed amortized and are null and void.

C. No Vested Rights. No person(s) shall have any vested rights to any permit, right or interest under this article, regardless of whether such person(s) cultivated cannabis prior to adoption of the ordinance codified in this article.

D. Public Nuisances. Cultivation shall not create a public nuisance and adversely affect the health or safety of persons residing in or near the residence where the cultivation occurs. A public nuisance may be deemed to exist if cultivation produces:

1. Odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby properties or areas open to the public;

2. More than three substantiated responses to valid confirmed complaints in a one-year time period to the residence from law enforcement officers;

3. More than three disruptions in a one-year time period to the free passage of persons or vehicles in the neighborhood;

4. Excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby properties or areas open to the public in accordance with SLTCC 4.70.160;

5. Adverse effects to health or safety through creation of mold, mildew, dust, glare, heat, noise, noxious gases, odor, smoke, traffic, parking, vibration, or other impacts, or be hazardous because of the use or storage of materials, processes, products or wastes.

E. Environment. Runoff and waste disposal by the residence where cultivation occurs must be in compliance with any applicable city, county, regional, state, and federal laws and regulations. A violation of any applicable city, county, regional, state, or federal law will be deemed a violation of this article.

F. Cultivation of cannabis in residences shall be in conformance with the following requirements:

1. Cultivation shall only occur in fully enclosed and secure structures. All outdoor cultivation of cannabis is strictly prohibited.

2. Cultivation shall only occur in residences which are in full compliance with the city code, including the building code and fire code.

3. No cooking, baking, or alteration as to form and substance of cannabis for commercial purposes, and/or sale, is permitted in a residence which cultivates cannabis.

4. From a public right-of-way, there shall be no exterior evidence of cannabis cultivation occurring at the residence.

6.55.730 Cannabis businesses – Use permit and public safety license required.

It shall be unlawful for any person to engage in, to conduct or carry on (or to permit to be engaged in, conducted or carried on) in or upon property located within the city, the operation of a cannabis business unless that person has first obtained and continues to maintain in full force and effect: a valid cannabis use permit issued by the city for that property and a valid cannabis public safety license issued by the city to the owner and/or operator of the cannabis business, pursuant to Chapter 4.180 SLTCC.

6.55.740 Cannabis businesses – General provisions.

A. Cannabis Businesses Allowed.

1. Only those types of cannabis businesses set forth in this section shall be allowed within the city:

    a. Retailers.

    b. Microbusinesses.

    c. Testing labs.

    d. Cultivators.

    e. Manufacturers.

    f. Distributors.

    g. Delivery operations.

Any and all cannabis businesses, activities, nonprofits, associations, enterprises, collectives, cooperatives or dispensaries not expressly described herein are expressly prohibited. Temporary cannabis events are prohibited within the city.

2. No more than one cannabis business may exist in the same suite or unit on a lot or parcel of property.

3. An owner and/or operator of a cannabis business may not own or operate more than one retail cannabis business, including a microbusiness with a retailer component, within the city.

4. No more than four retailers are permitted in the city, including microbusinesses with a retailer component. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers within the city that originate from retailers outside the city's jurisdictional limits are not subject to this limitation.

5. No more than two microbusinesses are permitted in the city, unless after the application period referenced in SLTCC 6.55.750(C) there are open permits for retailers, cultivators, manufacturers, or distributors, in which case the city council may adopt a resolution to reopen the application period to allow additional microbusinesses combining the open permit types.

6. No more than two cultivators are permitted in the city.

7. No more than four manufacturers are permitted in the city.

8. Distributors are permitted in the city only as part of a microbusiness, unless one or more of the permitted microbusinesses do not include a distributor component, in which case a distributor shall be permitted for each microbusiness without a distributor component.

B. Limitations on Location.

1. Permissible Zoning. Subject to limitations described in this article and other parts of SLTCC Title 6, and applicable regulations of the Tahoe Regional Planning Agency, cannabis businesses may operate only in a location where such land use will be consistent with the land uses authorized under the applicable area plan, plan area statement, and/or community plan for such location. Table 6.55.740 sets forth the applicable permissible use categories for each type of cannabis business.

Table 6.55.740

City Cannabis Business Type	TRPA Permissible Use Categories
a. Retailers (including delivery operations)	“food and beverage retail sales” and “general merchandise stores”
b. Microbusinesses	
i. Retailer	See a.
ii. Distributor	See f.
iii. Manufacturer	See e.
iv. Cultivator	See d.
c. Testing labs	“industrial services”
d. Cultivators	“industrial services”
e. Manufacturers	“food and kindred products” and “small scale manufacturing”*
f. Distributors	“wholesale and distribution”

* The applicable TRPA permissible use category for a manufacturer will depend on the type of cannabis product being manufactured.

2. Areas and Zones Where Cannabis Businesses Are Not Permitted.

a. Notwithstanding subsection (B)(1) of this section, a cannabis business may not operate on a parcel or lot located within 1,000 feet of a school, or 600 feet of a youth center, or 600 feet of a day care center, or 150 feet of any park, any religious institution, any residential or outpatient drug or alcohol treatment facility licensed by the State Department of Health Care Services, or hospital, that is in existence at the time the cannabis use permit is issued.

Distances under this subsection shall be calculated as a straight line from any parcel line of the property on which the cannabis business is located to the parcel line of the real property on which the facility, building, or structure, or portion of the facility, building or structure, in which the listed use occurs or is located. Locational restrictions shall apply to an entire parcel if any portion of the parcel is located within the applicable buffer distance.

b. Cannabis businesses may not operate on a parcel or lot located within a residential designated land use area, as depicted in the city’s general plan.

C. Transfer of Cannabis Use Permits.

1. Permit – Site Specific. A permittee shall not operate a cannabis business under the authority of a cannabis use permit at any place other than the parcel and specified address of the cannabis business stated in the application for the permit. All permits issued by the city pursuant to this article shall be nontransferable to a different location.

2. Transfer of a Permitted Cannabis Business. A permittee shall not transfer ownership or control of a cannabis business or attempt to transfer a cannabis use permit to another person unless and until the transferee obtains an amendment to the cannabis use permit from the planning commission to the permitting requirements of this article stating that the transferee is now the permittee. Such an amendment may be obtained only if the transferee files an application with the development services department in accordance with all provisions of this article accompanied by the required transfer review application deposit.

3. Request for Transfer with a Revocation or Suspension Pending. No cannabis use permit may be transferred (and no permission for a transfer may be issued) when the development services department has notified the permittee in writing that the permit has been or may be suspended or revoked for noncompliance with this chapter and a notice of such suspension or revocation has been provided.

4. Transfer without Permission. Any attempt to transfer a cannabis use permit either directly or indirectly in violation of this chapter is declared void, and the permit shall be deemed revoked.

6.55.750 Cannabis use permit application requirements.

A. Cannabis Public Safety License. Applicants seeking a cannabis use permit to operate a cannabis business within the city shall first submit an application for a cannabis public safety license. Upon the chief of police's, or their designee's, approval of the application for a cannabis public safety license, the applicant may submit an application for a cannabis use permit to operate a cannabis business.

B. Except as set forth in this article, applications for cannabis use permits shall be processed consistent with Article VII (Use Permits and Variances). The city manager, or their designee, may recommend, and the city council may establish by resolution, any necessary procedures and application requirements.

C. Use Permits for Retailers, Cultivators, Manufacturers, Distributors, and Microbusinesses. Because only a limited number of retailers, cultivators, manufacturers, distributors, and microbusinesses are permitted, an application period for these businesses shall be established that allows applicants to be placed on a qualified applicant list. The process and selection criteria for selection of the best applicants to be placed on the qualified applicant list shall be established by resolution of the city council.

D. Applications shall include a requirement that applicants demonstrate owner consent to operate a cannabis business on the property. Applications for cannabis retailers shall also include a statement as to whether the use will include delivery of cannabis and cannabis products to locations outside the retailer's property. If delivery services will be provided, the application shall describe the operational plan and specific extent of such service, security protocols, and how the delivery services will comply with the requirements set forth in this article and state law.

E. Site Plan. Applicants shall submit a site plan that shall include a floor plan, and a scaled premises diagram showing the boundaries of the cannabis business and property with all

boundaries, dimensions, entrances and exits, interior partitions and walls, with labeling of each room, windows and common shared entryways. If the proposed cannabis business consists of only a portion of the property, the diagram shall be labeled indicating which part of the property is the proposed cannabis business and what the remaining property is used for.

F. Cost Recovery. Every application for a cannabis use permit shall be accompanied by a deposit (in an amount established by resolution of the city council) and the applicant shall replenish such deposit at the request of the city to allow for recovery of the city's full cost of reviewing and issuing said permit.

6.55.760 Review, issuance, and/or denial of cannabis use permit applications.

A. Criteria for Issuance. In addition to the required findings for issuance of a special use permit in SLTCC 6.55.620(B), the planning commission, or the city council on appeal, shall make all of the following findings in determining whether to grant, modify, or deny a cannabis use permit for any cannabis business:

1. If the cannabis business is a microbusiness, retailer, manufacturer, distributor, or cultivator, the applicant is on the qualified applicant list established and maintained by the city.

2. The cannabis use permit application is complete and the applicant has submitted all information and materials required.

3. The proposed location of the cannabis business will comply with the buffer requirements in SLTCC 6.55.740(B) and is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proximity of the proposed cannabis business to a school, youth center, park, church, state licensed drug or alcohol treatment facility, or hospital.

4. The proposed location of the cannabis business is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proposed cannabis business's proximity to another existing or permitted cannabis business, and no significant nuisance issues or problems are likely or anticipated.

5. The design of the cannabis business is compatible with the city's design guidelines.

6. The property is located on a property which is consistent with all development standards of this title.

7. The location is not prohibited under the provisions of this title or any local or state law, statute, rule, or regulation.

8. The cannabis business will not violate any provision of the SLTCC or condition imposed by a city-issued permit, or any provision of any other local or state law, regulation, or order, or any condition imposed by permits issued in compliance with those laws.

9. The site plan for the cannabis business has incorporated features necessary to assist in reducing potential nuisance and crime-related problems. These features may include, but are not limited to, procedures for allowing entry; reduction of opportunities for congregating and obstructing public ways and neighboring property; and limiting furnishings and features that encourage loitering and nuisance behavior.

B. Supplemental Findings – Cannabis Testing Laboratory. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the

planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a testing lab:

1. The owners, permittees, operators, and employees of the testing lab will not be associated with any other form of commercial cannabis activity.

2. The testing lab meets the accreditation requirements set forth in Business and Professions Code Section 26100(h) and any applicable regulations enacted by the Department of Cannabis Control.

3. The testing lab operating plan demonstrates proper protocols and procedures for statistically valid sampling methods and accurate certification of cannabis and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.

C. Supplemental Findings – Cultivators. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a cultivator:

1. The cultivation of cannabis for commercial purposes shall only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis will be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides.

4. The applicant for cultivation for cultivation of cannabis with a total canopy size greater than 5,000 square feet per property has submitted documentation that electrical power used for commercial cannabis activity meets the average electricity greenhouse gas emissions intensity required by the local utility provider pursuant to the California Renewables Portfolio Standard Program, and has submitted an energy efficiency plan showing measures being taken to minimize energy consumption in lighting, HVAC, and dehumidifying equipment.

D. Supplemental Findings – Manufacturers. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a manufacturer:

1. The manufacturer shall be limited to 2,500 square feet of fully enclosed space.

2. The manufacturer shall not undertake any volatile extraction activities, and shall only conduct the operations authorized under the “Type 6,” “Type N,” or “Type P” license categories, as defined in the Department of Cannabis Control regulations, Title 4 of the California Code of Regulations, Section 17006, as may be amended.

E. Criteria for Denial. The planning commission shall deny an application that meets any one of the following criteria:

1. Any supervisor, employee, or person having a 10 percent or more financial interest in the cannabis business has been convicted of a felony or a drug-related misdemeanor reclassified by Section 1170.18 of the California Penal Code (Proposition 47) within the past 10 years. A conviction within the meaning of this subsection means a plea or verdict of guilty or a conviction following a plea of nolo contendere;

2. Any person who is listed on the application or is an owner or operator, is a licensed physician making patient recommendations for medical cannabis pursuant to Section 11362.7 of the Health and Safety Code;

3. Any person who is listed on the application or is an owner or operator is less than 21 years of age;

4. The proposed cannabis business does not comply with the provisions of this article or state cannabis laws; and

5. The planning commission is unable to make a required finding contained in this section.

F. Planning Commission Determination. If the planning commission, by a majority vote of a quorum of commissioners, denies the application, the planning commission shall specify in writing the reasons for the denial of the application, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to Chapter 2.35 SLTCC.

G. Indemnification. Cannabis use permits shall contain a condition requiring the dispensary, through its management members, to execute an agreement in a form approved by the city attorney whereby the cannabis business (1) releases the city, and its agents, officers, elected officials, and employees from any injuries, damages, or liabilities of any kind that result from any arrest or prosecution of the cannabis business or its management members, employees, or members for violation of state or federal laws, (2) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by any party arising out of the city's decision to permit the operation of the cannabis business, and (3) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries of any kind brought by adjacent or nearby property owners or other third parties due to the operations at the cannabis business.

6.55.770 Appeal from planning commission determination.

An applicant or any interested party who disagrees with the planning commission's decision to issue, issue with conditions, or to deny or revoke a cannabis use permit may appeal the planning commission's decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC.

6.55.780 Suspension and revocation by planning commission.

A. Authority to Suspend or Revoke a Cannabis Use Permit. Any permit issued under the terms of this article may be suspended or revoked by the planning commission.

B. A cannabis use permit may be revoked if it appears to the planning commission that the cannabis business has violated any of the requirements of this article or the security plan required pursuant to Chapter 4.180 SLTCC, or the cannabis business is being operated in a manner which constitutes a nuisance, or the cannabis business has ceased to operate for 30 days or more, or the owner or operator of the cannabis business fails to maintain a valid and current public safety license, or the cannabis business is being operated in a manner which conflicts with or violates state cannabis laws.

C. Any cannabis use permit revoked pursuant to this section shall be deemed to be expired and shall no longer entitle the permittee to any uses authorized by the cannabis use permit.

D. Revocation, expiration or nullification of a cannabis public safety license pursuant to SLTCC 4.180.060 and 4.180.070 shall automatically terminate the cannabis use permit issued to the licensee and shall terminate the ability of the licensee to operate a cannabis business without initiation of revocation proceedings by the planning commission.

E. Annual Review of Cannabis Businesses. The development services department is hereby authorized to conduct an annual review of the operation of each permitted cannabis business within the city for full compliance with the operational, record-keeping, nuisance and other requirements of this article, in coordination with any other departments of the city. Each cannabis business shall pay a fee in an amount established by resolution of the city council which shall be collected in order to reimburse the city for the time involved in the annual review process. The staff may initiate a permit suspension or revocation process for any cannabis business which, upon completion of an annual review, is found not to be in compliance with the requirements of this chapter or which is operating in a manner which constitutes a public nuisance. Staff may, based upon its annual review of the operation of a cannabis business, place on a planning commission meeting agenda, a proposal to suspend or revoke a cannabis use permit.

6.55.800 Cannabis businesses – Conditions of operation.

A. All Cannabis Businesses. All cannabis businesses shall be operated, maintained, and managed on a day-to-day basis in compliance with the following operational conditions and requirements:

1. State Licensing and Compliance with State Cannabis Laws. The city recognizes that state law requires dual licensing at the state and local level for all cannabis businesses. All operators shall therefore be required to diligently pursue and obtain a state cannabis license at such time as the state begins issuing such licenses, and shall comply at all times with all applicable state cannabis laws.

2. Cannabis Public Safety License. A cannabis business shall maintain a cannabis public safety license at all times. The failure to maintain a cannabis public safety license, revocation of a cannabis public safety license, or lapse in renewal of a cannabis public safety license shall be the basis for immediate termination of the right to operate a cannabis business under a cannabis use permit.

3. Employees. It shall be unlawful for the applicant, owner, operator, or any other person effectively in charge of any cannabis business to employ any person who is not at least 21 years of age.

4. Minors. Persons under the age of 21 years shall not be allowed on the premises of a cannabis business unless they are a qualified patient. The entrance to each cannabis business shall have, clearly and legibly posted, a notice indicating that persons under the age of 18 are prohibited from entering the premises unless they are a qualified patient and they are in the presence of their parent or guardian.

5. Every cannabis business shall display, at all times during its regular business hours, the cannabis use permit and cannabis public safety license issued for such cannabis business in a conspicuous place so that the same may be readily seen by all persons entering the cannabis business.

6. No cannabis business shall hold or maintain a license from the State Department of Alcoholic Beverage Control for the sale of alcoholic beverages, or operate a business on the premises of the cannabis business that sells alcoholic beverages, or otherwise allow alcoholic beverages to be possessed, distributed, or consumed on the premises.

7. No cannabis business shall be a retailer of tobacco products.

8. Operation of a cannabis business shall not result in illegal redistribution or sale of cannabis obtained, or the use or distribution in any manner which violates state cannabis laws or this article.

9. Odors. All cannabis businesses shall be sited and/or operated in a manner that prevents cannabis odors from being detected off site. All structures utilized for indoor cannabis cultivation shall be equipped and/or maintained with sufficient ventilation controls (e.g., carbon scrubbers) to eliminate nuisance odor emissions from being detected off site.

10. Security. The cannabis business shall at all times comply with all elements of its security plan, submitted as a part of its cannabis public safety license application pursuant to Chapter 4.180 SLTCC.

11. Signage and Advertising. The cannabis business shall comply with all applicable provisions of Chapter 6.40 SLTCC and any applicable Tahoe Regional Planning Agency regulations. All advertising shall comply with Business and Professions Code Section 26151.

12. On-Site Consumption. On-site consumption shall be prohibited.

13. Additional Conditions. The planning commission may impose additional conditions which it deems necessary to ensure that operation of the cannabis business will be in accordance with the standards and regulations provided in this title, the standards set forth by separate resolution of the city council, and applicable state laws.

B. Supplemental Conditions – Retailers. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis retailer shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Retailers may not sell drug paraphernalia and implements that may be used to ingest or consume cannabis except where such sales and operations comply with Health and Safety Code Section 11364.5.

2. Retailers shall not be enlarged in size (i.e., increased floor area) without the planning commission's prior review and approval and an approved amendment to the existing cannabis use permit applied for and issued pursuant to the requirements of this article.

3. Retailers shall only sell, deliver, or give away medical cannabis to individuals authorized to receive medical cannabis in accordance with state cannabis laws. Retailers of medical cannabis shall require such persons receiving medical cannabis to provide valid official identification, such as a Department of Motor Vehicles driver's license or State Identification Card, each time he or she seeks to purchase medical cannabis.

4. Hours of Operation. Retailers may only operate during the hours between 6:00 a.m. through 10:00 p.m. The planning commission may further restrict a retailer's days and hours of operation as a condition of a cannabis use permit. A retailer shall post its

approved days and hours of operation on a sign located on the street frontage of the cannabis business in a manner consistent with the city's sign regulations. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers are not subject to these limited hours of operation.

5. Retailers shall not have a physician on-site to evaluate patients and/or provide recommendations for the use of medical cannabis.

6. State Seller's Permit. Retailers shall, at all times during operation, maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code.

7. Retailers shall make available lock bags on site for purchase or shall provide information on how to obtain a lock bag.

8. Cannabis and cannabis products shall only be sold as pre-packaged consumer products, and each type of product shall be pre-packaged in a uniform amount per package. Cannabis and cannabis products shall be pre-packaged for general sale and not at the request of any specific customer.

C. Supplemental Conditions – Cultivators. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis cultivation operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Outdoor commercial cultivation prohibited. The cultivation of cannabis for commercial purposes may only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis must be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides. Any fumigation or insecticidal fogging shall comply with the California Fire Code Chapter 26 (Fumigation and Insecticidal Fogging).

4. Screening. Cannabis plants shall not be visible from any location beyond the property.

5. Cultivators shall maintain either the "Type 1A" (specialty indoor), "Type 1B" (specialty mixed-light), "Type 1C" (specialty cottage), "Type 2A" (small indoor), "Type 2B" (small mixed-light), "Type 3A" (indoor), "Type 3B" (mixed-light) or "Type 4" (nursery) licenses as defined in Business and Professions Code Section 26061, and issued by the Department of Cannabis Control, at all times of operation.

6. Cultivators may not engage in retail sales at the same property as cultivation.

D. Supplemental Conditions – Delivery Operations. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis delivery operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Delivery operations shall only be operated by a permitted cannabis retailer that has a physical location and a retail storefront in the city open to the public. A cannabis retailer shall not conduct sales exclusively by delivery. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers within the city that originate from retailers outside the city's jurisdictional limits are not subject to this

limitation, but any such delivery operation is required to obtain a public safety license under Chapter 4.180 SLTCC.

2. Vehicles used for deliveries shall have a GPS tracker, and records shall be maintained regarding the location of all deliveries. No more than maximum of $3,000 in cash, or equivalent value of cannabis or cannabis products, may be carried at any time.

E. Supplemental Conditions – Microbusinesses. In addition to each of the conditions of operation set forth in subsection (A) of this section, each microbusiness shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Except as modified by this subsection (E), each microbusiness with a retail component shall comply with all conditions of operation set forth in subsection (B) of this section, each microbusiness with a cultivator component shall comply with all conditions of operation set forth in subsection (C) of this section, each microbusiness with a manufacturer component shall comply with all conditions of operation set forth in subsection (F) of this section, and each microbusiness with a distributor component shall comply with all conditions of operation set forth in subsection (G) of this section.

2. Microbusinesses undertaking manufacturing activity shall utilize only extraction processes that employ nonvolatile solvents for the purposes of extracting cannabinoids and processes that are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act. Microbusinesses undertaking manufacturing activity shall maintain a license of the “Type 6,” “Type N,” or “Type P” license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

3. The cultivation of cannabis for commercial purposes by microbusinesses shall be limited to 10,000 square feet of total canopy size per property.

4. A microbusiness with a retail component may engage in retail sales on the same property as a cultivation component, but shall limit access to the public to only the retail component of the microbusiness.

F. Supplemental Conditions – Manufacturers. In addition to each of the conditions of operation set forth in subsection (A) of this section, manufacturers shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Manufacturers shall not engage in on-site retail sales of cannabis or cannabis products.

2. Manufacturers shall utilize only extraction processes that employ nonvolatile solvents and are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act.

3. Standard of Equipment. Manufacturing, processing, and analytical testing devices used by manufacturers must be UL (Underwriters Laboratories) listed or otherwise certified by an approved third party testing agency or engineer and approved for the intended use by the city’s building official and fire code official.

4. Food Handler Certification. All owners, employees, volunteers, or other individuals that participate in the production of edible cannabis products shall be state-certified food handlers. The valid certificate number of each such owner, employee, volunteer, or other individual must be on record at the property where the individual participates in the production of edible cannabis products.

5. Edible Cannabis Product Manufacturing. Manufacturers that sell or manufacture edible cannabis products shall obtain a county health permit to sell and/or manufacture edible cannabis products. Permit holders shall comply with county health permit requirements.

6. The manufacturer shall maintain a manufacturer license of “Type 6,” “Type N,” or “Type P” license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

G. Supplemental Conditions – Distributors. In addition to each of the conditions of operation set forth in subsection (A) of this section, distributors shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. No distributor may distribute cannabis from an unlicensed cannabis cultivator or manufacturer. Distributors may only distribute cannabis products between other licensed businesses within the state of California.

2. Distributors may not sell cannabis products directly to consumers, and cannabis distribution facilities shall be fully enclosed and inaccessible to the general public.

H. Maintenance, Access to, and Inspection of Records.

1. Every cannabis business shall maintain on-site, at the property designated for the operation of the cannabis business, all records of the cannabis business.

2. Financial Records. The cannabis business shall maintain a written accounting record or ledger of all cash, receipts, credit card transactions, reimbursements, (including any in-kind contributions), and any and all reasonable compensation for services provided by the cannabis business, as well as records of all operational expenditures and costs incurred by the cannabis business in accordance with generally accepted accounting practices and standards typically applicable to business records.

3. Record Retention Period. The records required in this subsection shall be maintained by the cannabis business for a period of five years and shall be made available to the city within 24 hours of written request.

4. A duly designated city police department or finance department representative may enter and shall be allowed to inspect the premises of every cannabis business as well as the financial and membership records of the cannabis business required by this article at any time during the cannabis business’s designated business hours, or at any appropriate time to ensure compliance and enforcement of the provisions of this article. Such representative may also require the cannabis business to also provide access to such financial records electronically. It shall be unlawful for any owner, operator, or any other person having any responsibility over the operation of the cannabis business to refuse to allow, impede, obstruct or interfere with an inspection of the cannabis business or the required records thereof.

6.55.810 Business license tax liability.

An operator of a cannabis business shall be required to apply for and obtain a business and professions tax certificate pursuant to Chapter 3.35 SLTCC as a prerequisite to obtaining a cannabis use permit or operating within the city pursuant to the terms of this article. The cannabis businesses shall be subject to sales tax and other applicable taxes in a manner required by state law.

6.55.820 No vested rights.
No person(s) shall have any vested rights to any permit, right or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this article.

6.55.830 Public nuisance.
Any use or condition caused or permitted to exist in violation of any provision of this article shall be and hereby is declared a public nuisance and may be subject to administrative citations as set forth in Chapter 2.30 SLTCC, summarily abated by the city pursuant to Chapter 4.40 SLTCC and/or Code of Civil Procedure, Section 731, or subject to any other remedy available to the city.

SECTION 4. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. The City Council finds that the 2030 General Plan EIR adequately addresses the potential environmental impacts of the proposed ordinance and that no further environmental analysis is required to comply with the California Environmental Quality Act (CEQA), and CEQA Guidelines section 15162 because the proposed ordinance is within the scope of the previous EIR and there are no substantial changes to the project or the circumstances that require major revisions to the previous EIR due to new significant environmental effects, new information of substantial importance that shows the project will have significant effects not discussed in the previous EIR, significant effects previously examined would be more severe, or mitigation measures or alternatives previously found not to be feasible would substantially reduce one or more significant effects.

SECTION 6. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

SECTION 7. This Ordinance shall become effective 30 days following its adoption.

Adopted by the City of South Lake Tahoe City Council on January 9, 2024 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____
Mayor

Attest:

_____
Susan Blankenship, City Clerk

First Reading:
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Chapter 4.100

CLEAN ~~INDOOR~~ AIR AND HEALTH PROTECTION

Sections:

4.100.010 Purposes.
4.100.020 Authority.
4.100.030 Definitions.
4.100.040 Smoking prohibitions – Public places.
~~4.100.050 Smoking prohibitions – Workplaces.~~
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~~4.100.070 Exemption procedures.~~
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4.100.~~100~~ 060 Violation and penalties~~ – Smoking or posting~~.
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4.100.010 Purposes.

The U.S. Environmental Protection Agency (EPA) has determined that tobacco smoke is a major source of indoor air pollution and the Surgeon General's 1986 report on the health consequences of involuntary smoking concludes that exposure to tobacco smoke places healthy nonsmokers at increased risk for developing lung cancer. Other health hazards of involuntary smoking include respiratory infection, decreased exercise tolerance, decreased respiratory function, bronchoconstriction, and bronchospasm. While all members of the population are truly at increased risk due to exposure to sidestream tobacco smoke, it constitutes a special health hazard for children, the elderly and people with chronic lung disorders.

The Surgeon General labels smoking "the largest single preventable cause of death and disability for the U.S. population."

~~Employees subject to prolonged exposure to sidestream smoke in the workplace have been found in scientifically conducted studies to experience a decrease in job productivity and some have been forced to take periodic sick leave because of reactions to secondhand smoke. Furthermore, studies have shown higher costs to the employer are associated with smoking in the workplace due to increases in absenteeism, accidents, costs of medical care, loss of productivity, and cleaning and maintenance requirements. A recent scientific study has reported that sidestream smoke from tobacco may cause a significant amount of cardiovascular disease in the United States and that the number of deaths from this cause may exceed the deaths caused by lung disease associated with sidestream smoke. Smoking in public places and workplaces is a major cause of fires and damage to merchandise and equipment as well as costly maintenance and repairs to furniture and fixtures. The health care costs produced by smoking related ailments and diseases constitute a heavy and avoidable financial drain on our community.~~

More than 80 percent of El Dorado County residents are nonsmokers, and the number of nonsmokers is steadily increasing. Opinion surveys show that a majority of both nonsmokers and smokers favor restrictions on smoking in public places ~~and places of employment~~.

Air pollution caused by smoking is an offensive annoyance and irritant. Smoking results in serious and significant physical discomforts of nonsmokers, and constitutes a public nuisance in public places ~~and workplaces~~.

This chapter attempts to find a compromise that allows smokers to smoke, and others to breathe smoke-free air.

Health and Safety Code section 11362.3 prohibits smoking cannabis or cannabis products in a public place and in a location where smoking tobacco is prohibited.

This chapter is not to be interpreted as requiring ~~restaurants or bars~~any establishment to provide a smoking area.

4.100.020 Authority.
This chapter is enacted pursuant to ~~the provisions of the~~ Health and Safety Code section 118910 for the purpose of restricting and regulating smoking in public places ~~and in places of work~~ in order to reduce the hazards and nuisances which smoking causes to those who are involuntarily exposed.

4.100.030 Definitions.
As used in this chapter, the words and phrases ~~identified in SLTCC 4.100.010 through 4.100.120~~ shall have the following meanings:

~~A. "Bar" means an area which is devoted to the serving of alcoholic beverages for consumption on the premises and in which the serving of food, if any, is incidental to the consumption of alcoholic drinks. When a bar is operated within a building in conjunction with another use, such as a restaurant, only the area utilized primarily for the consumption of alcoholic beverages shall constitute the bar. The dining area of a restaurant utilized primarily for the serving and consumption of food shall not constitute a bar, even though alcoholic beverages may be served therein. An establishment that serves food in the bar, and where there are fewer seats where food is served in the bar than seats at the bar, qualifies as a bar.~~

~~B. "Commercial enterprise" shall mean any business entity formed for profit-making purposes, including professional corporations and other entities under which legal, medical, dental, engineering, architectural, or other professional services are delivered, and shall also include any person charged with the responsibility of controlling conduct on behalf of the above described enterprises upon any premises regulated by provisions of this chapter.~~

~~C. "Nonprofit entity" shall mean corporation, unincorporated association or other entity created for charitable, philanthropic, educational, character building, political, social or other similar purposes, the net proceeds from the philanthropic, educational, character building, political, social or other similar purposes, the net proceeds from the operations of which are committed to promotion of the objects or purposes of the organization and not to private gain, together with~~

~~any person charged with the responsibility of controlling conduct on behalf of the above-described entities upon any premises regulated by the provisions of this chapter. A public agency is not a "nonprofit entity" within the meaning of this section.~~

~~D~~A. "Person" means any natural person, partnership, corporation, unincorporated association, joint venture, business trust, joint stock company, club, or other organization of any kind~~, except the county or any other public agency~~.

~~E. "Enclosed area" shall mean all space between a floor and ceiling which is served by a common heating, ventilating or air conditioning system, and is enclosed on all sides by solid walls or windows (exclusive of door or passageways) which extend from the floor to the ceiling, including all space therein screened by partitions which do not extend to the ceiling or are not solid, "office landscaping," or similar structures.~~

~~F. "Members of the general public" includes shoppers, customers, patrons, patients, students, clients and other similar invitees of a commercial enterprise or nonprofit entity, but excludes employees thereof, sales representatives, service repair persons, and persons delivering goods, merchandise or services to a commercial enterprise, nonprofit entity or county.~~

~~G. "Office" means an area enclosed by walls containing a desk, table or similar furnishings for clerical, administrative or supervisory work, a complex of such enclosures and a building containing such enclosures whether or not the building is utilized primarily for other purposes such as retailing, wholesaling or storage, or manufacturing, together with all hallways, stairways, elevators, escalators, restrooms, lobbies, waiting rooms, reception areas, entry areas, and conference rooms within or associated with the complex of such enclosures, including:~~

~~1. Legal, medical, dental, engineering, accounting, counseling and other professional offices;~~

~~2. Insurance, real estate, ticket, collection agency, and other offices where business services are offered to or goods or services are offered to or may be ordered by or may be paid for by members of the general public.~~

~~H. "Lobby/reception area" means an area that must be passed through in order to get to another destination.~~

~~I. "Restaurant" means any coffee shop, cafeteria, luncheonette, soda fountain, "fast food service," and other establishment where cooked or otherwise prepared food is sold to members of the general public for consumption on the premises. The term does not include a cafeteria or lunchroom defined as a "workplace" by subsection (L)(3) of this section, whether or not members of the general public incidentally frequent the facility.~~

~~J~~B. "Smoking" means ~~lighting,~~ inhaling, exhaling, ~~or~~ burning, or carrying any lighted or heated pipe, cigar, cigarette, ~~weed, or plant, or carrying any lighted pipe, lighted cigar, lighted cigarette, lighted weed, lighted plant,~~ or any other lighted or heated ~~ignited combustible~~ tobacco or plant product intended for inhalation, ~~substance~~ in any manner or in any form. Smoking includes the use of an electronic smoking device that creates an aerosol or a vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking.

~~K~~C. "Tobacco ~~store~~shop" means ~~a place utilized primarily for the sale to members of the general public at retail of tobacco products or accessories, and in which the sale of any other products is merely incidental~~any business establishment, the main purpose of which is the sale of tobacco products, including, but not limited to, cigars, pipe tobacco, and smoking accessories.

~~L. "Workplace" means any enclosed area which is occupied by two or more employees of a commercial enterprise, nonprofit entity or the city including but not limited to places:~~
~~1. Utilized for:~~
~~a. The manufacturing, processing, assembly, maintenance, or repair of any products, goods, equipment, tools, appliances, furnishing or other object; or~~
~~b. The physical storage for purposes of wholesaling, future utilization for operational purposes, or future transfer preceding consumption or other utilization of any products, goods, merchandise, materials, supplies, equipment, tools, appliances or furnishings.~~
~~2. Utilized or operated for a purpose described by SLTCC 4.100.040 and from which members of the general public are excluded.~~
~~3. Utilized as a union hall, cafeteria, lounge, lunchroom, restroom, conference room, training room, lecture room or classroom primarily for the use or benefit of employees.~~
~~4. A private residence, including either an attached or detached garage, utilized as a workplace for a home business, including but not limited to use as a licensed day care facility, except when not frequented by members of the general public.~~

4.100.040 Smoking prohibitions – Public places.

~~A.~~ Except as specifically provided, it is unlawful for ~~any member of the general public or~~ any other person~~, including an employee,~~ to smoke in the public places named and described in subsections (A)~~(1)~~ through (~~13~~C) of this section, inclusive, and other public places similarly situated, including but not limited to the following areas:

~~1. Common work areas occupied by employees performing clerical, technical, administrative or other business or work functions;~~

~~2. Merchandise display areas, checkout stations, and counters and other pay stations;~~

~~3. Hallways;~~

~~4. Restrooms;~~

~~5. Elevators, escalators, stairways;~~

~~6. Lobbies (unless a special room and/or outdoor ventilation system is installed);~~

~~7. Reception areas;~~

~~8. Waiting rooms;~~

~~9. Service lines;~~

~~10. Classrooms, meeting or conference rooms, or lecture halls;~~

~~11~~A. Outdoor public recreation areas owned, operated, or maintained by the city, including parks and beaches as defined in SLTCC 8.05.~~020~~010, golf courses, and campgrounds;

~~12~~B. Parking lots, parking structures, and parking areas owned, operated, or maintained by the city; and

~~13~~C. Other places in which members of the general public congregate ~~for service~~ or otherwise frequent.

~~B. Stores. The prohibitions contained in subsection (A) of this section shall be applicable to:~~

~~1. The enclosed common areas of shopping malls;~~

~~2. Automobile dealerships, furniture or other showrooms for the display of merchandise offered for sale at retail;~~

~~3. Grocery, specialty, department and other stores which sell goods or merchandise at retail; and~~

~~4. Service stations, stores or shops for the repair or maintenance of appliances, shoes, or motor vehicles, barbershops, beauty shops, cleaners and laundromats, video game, and other amusement centers, and other similar establishments offering services or products to members of the general public.~~

~~C. Banks. The prohibitions of subsection (A) of this section shall be applicable to banks, including savings and loan associations, credit unions and other similar institutions which offer financial services to members of the general public.~~

~~D. Hotels/Motels. The prohibitions of subsection (A) of this section shall be applicable to hotels and motels in which guests typically rent lodging for continuous periods less than 30 days. Smoking is permissible in rental rooms, manager's unit/residence and in on-premises restaurants and bars as provided in this section and SLTCC 4.100.060. The availability of all nonsmoking rooms will be prominently posted in the lobby sign-in area. The rooms so designated will be posted as "Smoking Prohibited" and ashtrays removed. Customers seeking accommodations will be routinely advised of the availability of nonsmoking rooms.~~

~~E. Terminals. The prohibitions of subsection (A) of this section shall be applicable to depots and other terminals utilized by members of the general public for the purpose of being transported upon or departing from airplanes, trains, buses and taxis.~~

~~F. Buses and Public Transit. Smoking by either passengers or operators shall be prohibited within buses, and all public transit conveyances operated by or licensed by the county or city.~~

~~G. Theaters. The prohibitions of subsection (A) of this section shall be applicable to theaters, including motion picture theaters, meeting halls and auditoriums where motion pictures or live theatrical musical or dramatic productions are made to an audience consisting of members of the general public assembled for the purpose of witnessing the performance or presentation; provided, that neither this section or subsection (A) of this section shall be construed to prevent smoking by performers in connection with a stage production or by persons making a presentation concerning addiction to tobacco or other drugs.~~

~~H. Recreational Facilities. The prohibitions contained in subsection (A) of this section shall be applicable to sports pavilions, gymnasiums, exercise rooms, health spas, boxing arenas, swimming pools, roller and ice skating rinks, and other similar places where members of the~~

~~general public assemble to either engage in physical exercise, participate in athletic competition or witness sports events.~~

~~Smoking is prohibited at all times within the seating areas of an enclosed arena and in any surrounding enclosed concourses where food and beverages are dispensed.~~

~~I. Recreation Halls. The prohibitions of subsection (A) of this section shall be applicable to recreation halls and other similar facilities where members of the general public bowl, play bingo or cards, dance or engage in recreational, character building or cultural activities. An owner or operator may permit persons to smoke within a portion, not exceeding 50 percent of the main activities area, of such facility and not including restrooms, lounges, and kitchens. Signs will be posted in the manner prescribed by SLTCC 4.100.080. It shall not constitute a violation of this chapter to smoke in a location where smoking has been authorized.~~

~~The provisions of this subsection shall not be construed to in any manner restrict or otherwise impair the authority of an owner or operator to prohibit smoking in such recreation hall.~~

~~J. Restaurants. Within all restaurants, the prohibitions of subsection (A) of this section shall be applicable to lobbies, waiting areas, restrooms and such dining seating areas as are allocated for nonsmoking. After adoption of the ordinance codified in this section the owner, manager, or operator shall post a notice at the restaurant entrance that a nonsmoking section is available. It shall not constitute a violation of this chapter to smoke in a location where smoking has been authorized.~~

~~The provisions of this section shall not be construed to in any manner restrict or otherwise impair the authority of an owner or operator to increase the nonsmoking seating in a restaurant or bar.~~

~~Smoking is prohibited and is unlawful in every publicly or privately owned restaurant except under the following circumstances where smoking may be permitted at the option of the establishment:~~

~~1. Any area exterior to the building in which the establishment is located.~~

~~2. The smoking of tobacco in any bar as defined in SLTCC 4.100.030.~~

~~3. The smoking of tobacco in an interior area shall be limited to not more than 50 percent of contiguous floor space of the dining area which is specifically designated and signed as a smoking area. Signs as prescribed by SLTCC 4.100.080 shall be used.~~

~~K. City Buildings. Smoking is prohibited except where other restrictions have been agreed to through the meet and confer process prior to the effective date of the ordinance codified in this chapter and such restrictions remain in effect.~~

~~L. Places of Exhibition. The prohibitions contained in subsection (A) of this section shall be applicable to libraries, museums, aquariums, galleries, convention halls and similar facilities where members of the general public assemble for the purpose of viewing the exhibition of art, artifacts, objects of historical or cultural significance, products, merchandise, equipment, appliances or services.~~

~~M. Schools. The prohibitions contained in subsection (A) of this section shall be applicable to any school or educational institution operated by a commercial enterprise or nonprofit entity for the purpose of providing academic classroom instruction, trade, craft, computer or other technical training, or instruction in dancing, artistic, musical or other cultural skills.~~

~~The prohibitions contained in subsection (A) of this section shall be applicable to public school facilities when school district management authorizes their use by members of the general public other than students.~~

~~N. Day Care Facilities. The prohibitions contained in subsection (A) of this section shall be applicable to private residences during the time when such residences are operated as licensed day care facilities for children.~~

~~**4.100.050 Smoking prohibitions – Workplaces.**~~

~~Smoking is prohibited in enclosed workplaces of commercial enterprises, nonprofit entities and all city-owned and managed buildings except as allowed per SLTCC 4.100.040(K) including but not limited to open office areas, shared offices, private offices except as allowed per SLTCC 4.100.060, hallways, restrooms, escalators, elevators, stairways, lobbies, reception areas, and waiting rooms, classrooms, meeting or conference rooms, and auditoriums.~~

~~On-site cafeterias, lunchrooms and lounges shall be deemed workplaces and smoking prohibited therein, whether or not such facilities are open to members of the general public. A completely separate room with a separate ventilation system may be used per employer discretion.~~

~~Each commercial enterprise, nonprofit entity and the county shall comply with these smoking prohibitions and be responsible for their implementation in the workplace, and "No Smoking" signs shall be posted in the manner prescribed by SLTCC 4.100.080.~~

4.100.~~060~~050 Places where smoking is permissible.
Smoking may be permitted in all locations where smoking is not prohibited by this chapter, including the following locations:

~~A. Bars, whether operated as a separate business entity, or physically separated facilities within a restaurant, nightclub or other business.~~

~~B. Private clubs during events attended exclusively by members of the organization and their invited guests and from which members of the general public are excluded.~~

~~C. Within conference/meeting rooms, public and private assembly rooms, banquet rooms, dining rooms or areas of restaurants, hotels and motels, while these places are occupied for private functions to which only persons specifically invited are entitled to attend and from which members of the general public are excluded.~~

~~D. In an enclosed place wherein this chapter specifically permits smoking, notwithstanding the fact that such location is a workplace.~~

~~E. In a private office or similar enclosed private workplace to which members of the general public are not routinely invited and wherein the tobacco smoke does not, through a common ventilation system or otherwise, affect other areas of the workplace.~~

~~F. Manager's unit/residence of a hotel/motel to which members of the general public are not routinely invited and wherein the tobacco smoke does not, through a common ventilation system or otherwise, affect other areas of the hotel/motel which are designated as nonsmoking areas under this chapter.~~

~~G~~A. Residential units, including those which are used for home occupations under the provisions of SLTCC 6.55.280 ~~and 6.55.290~~; provided, however, that this exemption shall not authorize smoking in any day care or child care facility ~~except as set forth in SLTCC 4.100.040(N)~~.

B. Areas where smoking is permitted within certain workplace areas under Labor Code section 6404.5, as may be amended.

It shall not constitute a violation of SLTCC 4.100.040 for a person to smoke in a location where smoking has been authorized in the manner prescribed by this section.

~~The foregoing places are not considered workplaces subject to the provisions of SLTCC 4.100.050. Employers will, however, attempt to find a reasonable alternative accommodation where feasible for nonsmoking employees who do not wish to be assigned to work in a smoking permissible area. The foregoing exempt places do not include city owned or managed buildings.~~

~~**4.100.070 Exemption procedures.**~~

~~Any owner or manager of a business or other establishment subject to this chapter may apply to the director of the El Dorado County department of environmental management for an exemption or modification to its provisions. Exemptions may only be granted on:~~

~~A. A showing by the petitioner of significant financial hardship due to compliance; or~~

~~B. The proposed implementation of an alternative approach or technology which would provide equivalent protection from the health hazards of sidestream smoke; or~~

~~C. Proof that the only persons using the premises are smokers, no member of the public will be present, and no other workplace will be affected by smoke.~~

~~An application for exemption will be accompanied by payment of a reasonable fee established by board of supervisor resolution which will cover the cost of preparation for the hearing, and the application will include any data required by the department. The department will review the application and submit it, with recommendations, for hearing by the environmental health director. The applicant will be entitled to present evidence at the hearing, which will be scheduled within 30 days of the receipt of the application. The department will, after taking into consideration the testimony received at the hearing, issue its findings and recommendations within 10 days of the completion of the hearing. The department will complete procedural action on the application and notice the city council and interested parties within 10 days of its receipt from the director of environmental health.~~

~~The applicant or other interested parties may appeal the department's decision to the city council within 30 days of receipt of action notification by the department. Upon appeal, the city council will set a hearing within 60 days, and make a final determination at that hearing. Any establishment holding a currently valid exemption shall not be required to pay additional administrative fees to maintain its exemption.~~

~~**4.100.080 Posting requirements.**~~

~~Each owner, operator, manager or other person having control of an establishment or facility within which smoking is regulated by this chapter shall conspicuously post in every place where smoking is prohibited "No Smoking" signs, or the international "No Smoking" symbol~~

~~consisting of a pictorial representation of a burning cigarette enclosed in a red circle with a red bar across it, with letters not less than one inch in height.~~

~~An owner, operator, or manager of a building wherein, pursuant to these regulations, smoking is not permitted in any space in the building may limit the "No Smoking" posting to first floor entrances and exits and to the elevator lobby areas of all other floors.~~

~~Motion picture theaters shall show upon the movie or live action screens for at least five seconds prior to the showing of each feature motion picture the message that smoking is prohibited within the audience seating and other areas as specified.~~

~~Restaurants shall post at their entrances a sign stating that nonsmoking seats are available. Likewise, recreational halls shall post signs alerting users of the availability of nonsmoking rooms. Smoking permitted areas in which smoking is permitted will be posted as such.~~

~~Motels and hotels will prominently post in the lobby a sign notifying patrons of the availability of nonsmoking accommodations. The rooms so designated will be posted as nonsmoking rooms, and ashtrays removed.~~

~~**4.100.090 Retaliation prohibited.**~~

~~It shall be unlawful for a commercial enterprise, nonprofit entity or city to retaliate against any members of the general public or an employee or applicant for employment of the enterprise, entity or city because such members of the general public, employee or applicant seeks enforcement of the provisions of this chapter.~~

4.100.~~100~~060 Violation and penalties~~ – Smoking or posting~~.

Any person who violates the prohibitions contained in SLTCC 4.100.040 ~~and any person who violates SLTCC 4.100.080 by failing to post the signs or take the other actions required by this section~~ shall be guilty of an infraction, punishable in the manner hereinafter prescribed:

A. A fine not exceeding $100.00 for a first violation.

B. A fine not exceeding $200.00 for a second violation of this chapter within one year.

C. A fine not exceeding $500.00 for each additional violation of this chapter within one year.

~~**4.100.110 Retaliation remedies.**~~

~~Violation of any of the provisions of SLTCC 4.100.090 or 4.100.100 shall be remedial through civil action filed in a court of competent jurisdiction for injunctive or other appropriate relief.~~

~~**4.100.120 Enforcement.**~~

~~It shall be the responsibility of the El Dorado County director of the environmental management department to enforce, on behalf of the city, the provisions of this chapter. The director shall be authorized to prosecute, in the name of the city, pursuant to the provisions of Section 25132 of the Government Code, civil actions for recovery of fines for violations of this chapter made infractions by SLTCC 4.100.110 or violations of SLTCC 4.100.040 and 4.100.050. In the performance of the enforcement responsibilities assigned by this chapter, the director of the county environmental management department shall:~~

~~A. Affirmatively seek the support and cooperation of other local public agencies, such as fire protection districts, to provide information, assistance and advice in the enforcement of the provisions of this chapter;~~

~~B. Establish a telephone number through which all complaints by citizens relating to violations of this chapter may be directed or referred;~~

~~C. Reduce such complaints to writing, and analyze the frequency and volume thereof in relation to alleged violations of this chapter by or at particular establishments or facilities;~~

~~D. Conduct on-site inspection of any establishment or facility with respect to which the nature and volume of complaints suggest long-standing and pronounced violation of any of the provisions of this chapter;~~

~~E. Provide to the owner, operator or manager of any such establishment or facility a copy of the provisions of this chapter and such advisory assistance to rectify future violations as may be necessary to achieve compliance with the provisions of this chapter;~~

~~F. Follow up such investigations and advice with a written directive explaining in detail the steps required in order to achieve future compliance with the provisions of this chapter; and~~

~~G. If the violations do not cease following the expiration of a reasonable period of time, commence civil actions for the recovery of infraction fines pursuant to the provisions of SLTCC 4.100.100 or request commencement of a civil proceeding by the county counsel and/or city attorney, pursuant to the provisions of SLTCC 4.100.110, as may be appropriate.~~

~~The provisions of SLTCC 4.100.090 shall not be remedial by either the director of environmental management, or any other county official or city official. Any member of the general public, an employee or applicant for employment may, pursuant to the provisions of SLTCC 4.100.110, commence in his or her name a civil action for injunctive relief, monetary damages or other appropriate relief against a person who violates SLTCC 4.100.090 pursuant to the provisions of SLTCC 4.100.110. A member of the general public or employee shall also be authorized to individually commence a civil action pursuant to the provisions of SLTCC 4.100.110 for injunctive relief, monetary damages or other appropriate relief for the purpose of remedying any other violation of the provisions of this chapter.~~

~~4.100.130 Provision to repeal ordinance.~~

~~In the event the 1966 contract between the city of South Lake Tahoe and county of El Dorado requiring the health officer to enforce the ordinance codified in this chapter is terminated, the ordinance shall be automatically repealed without further city council action.~~

Chapter 4.180

CANNABIS PUBLIC SAFETY LICENSE ORDINANCE

Section:

4.180.010 Purpose and intent.
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4.180.050 Public safety license and public safety license renewal – Approval and denial.
4.180.060 Expiration and renewal of cannabis public safety licenses.
4.180.070 Suspension and revocation by chief of police.
4.180.080 No vested rights.

4.180.010 Purpose and intent.

It is the purpose and intent of this chapter to establish a cannabis public safety license and the procedures for issuance of said license. A cannabis public safety license shall be required as a condition for the continued operation of any cannabis business as set forth in this chapter. The regulations in this chapter are meant to ensure the health, safety, and welfare of the residents of the city of South Lake Tahoe. Cannabis businesses within the city must comply with all provisions of the South Lake Tahoe City Code for obtaining permits and licenses for a cannabis business and must comply with the state cannabis laws and all other applicable local and state laws. Nothing in this chapter permits activities that are otherwise illegal under state or local laws.

4.180.020 Definitions.

As used in this chapter:

"Applicant" means any person who is required to file an application for issuance of a cannabis public safety license to operate a cannabis business under this chapter, including without limitation an individual owner, operator, or agent of a cannabis business.

"Application for renewal" shall mean an application for a renewed cannabis public safety license, which application may be submitted by a licensee.

"Cannabis" shall have the meaning set forth in Cal. Bus. & Prof. Code § 26001(f) and as subsequently amended.

"Cannabis business" shall include:

a. Any business, facility, use, establishment, property, or location, whether fixed or mobile, where a commercial cannabis activity takes place.

b. Any building, facility, use, establishment, property, or location where any person or entity establishes, commences, engages in, conducts, or carries on, or permits another person or entity to establish, commence, engage in, conduct, or carry on, any activity that requires a state license under Cal. Bus. & Prof. Code § 26000 and following, including but not limited to cannabis cultivation, cannabis distribution, cannabis manufacturing, cannabis testing and cannabis retail sales, and the operation of a cannabis microbusiness.

"Cannabis products" shall have the meaning set forth in Cal. Bus. & Prof. Code § 26001(~~i~~k) and as subsequently amended.

"Cannabis use permit" shall mean a use permit issued for the operation of a cannabis business pursuant to Article X of Chapter 6.55 SLTCC.

"Commercial cannabis activity" shall include the cultivation, possession, manufacturing, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products, or acting as a cannabis event organizer for temporary cannabis events.

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

"Curbside delivery" shall mean a sale of cannabis or cannabis products from a licensed retail storefront or licensed microbusiness with retailer component that is delivered to a customer in their vehicle parked immediately outside the retail or microbusiness premises.

"Licensee" shall mean the cannabis business owner identified to the city as such, and to whom a city cannabis public safety license has been issued.

"Operator" shall mean any person responsible for management of the cannabis business; any person listed as an officer, director, manager, or member in statement of information filed with the Secretary of State for a cannabis business; any person listed in a governing document for a cannabis business, such as bylaws, articles of incorporation, or operating agreement; any person owning an interest in the cannabis business, unless the interest is solely a security, lien, or encumbrance; and any person that supervises an employee of the cannabis business.

"Owner" shall have that meaning set forth in Cal. Bus. & Prof. Code § 26001(~~a~~ap) and as it may be amended.

"Permittee" shall mean any person issued a cannabis use permit under Article X of Chapter 6.55 SLTCC.

"Police chief" shall mean the chief of the city of South Lake Tahoe police department.

"Property" shall mean the designated structure or structures and land specified in the cannabis use permit application that is owned, leased or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

"State cannabis laws" means and includes Cal. Health & Safety Code §§ 11362.1 through 11362.45; Cal. Health & Safety Code § 11362.5 (Compassionate Use Act of 1996); Cal. Health & Safety Code §§ 11362.7 through 11362.83 (Medical Marijuana Program); Cal. Bus. & Prof. Code § 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA")); all state laws enacted or amended pursuant to SB-94, Chapter 27, Statutes of 2017; the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; Cal. Labor Code § 147.5; Cal. Rev. & Tax. Code §§ ~~31020 and~~ 34010 through 34021.5; Cal. Fish and Game Code § 12029; Cal. Water Code § 13276; all state regulations adopted ~~pursuant to MAUCRSA~~by the Department of Cannabis Control; any license issued ~~pursuant to MAUCRSA~~by the Department of Cannabis Control; and all other applicable laws of the state of California regulating cannabis or cannabis products.

"State license" shall mean a license from the ~~state~~ Department of Cannabis Control issued pursuant to Division 10 of the Cal. Bus. & Prof. Code.

4.180.030 Cannabis businesses – General provisions.

A. Cannabis Use Permit and Public Safety License Required to Operate. It shall be unlawful for any person to engage in, to conduct or carry on (or to permit to be engaged in, conducted or carried on) in or upon property located within the city the operation of a cannabis business unless that person has first obtained and continues to maintain in full force and effect a valid cannabis use permit issued by the city for that property and that type of cannabis business and a valid cannabis public safety license issued by the city to the owner and/or operator of the cannabis business, pursuant to this chapter.

B. Imposition of Public Safety License Fees.

1. Every application for a cannabis public safety license or renewal of such license shall be accompanied by a license fee in an amount set forth by separate resolution of the city council, which amount is calculated to recover the city's full cost of reviewing, issuing and administering said license. The application fee shall include the standard city fees for fingerprinting, photographing, and background check costs and shall be in addition to any other business license fee or permit fee imposed by this code or other governmental agencies.

2. A fee for renewal of a public safety license will be due annually.

C. Conditions of Operation.

1. Security Plan. A licensee shall provide adequate security on the premises of the cannabis business. The following minimum security standards shall be maintained at all times:

a. Surveillance System.

i. Each cannabis business shall be monitored at all times by a digital closed-circuit television surveillance system. Surveillance systems shall meet any applicable state law requirements, including those set forth in Title 4 of the California Code of Regulations ~~Title 16,~~ § 15044, and any subsequently enacted regulation. The camera and video recording surveillance system must be capable of providing surveillance of both interior and exterior areas of the cannabis business and must be of adequate quality, color rendition and resolution to allow the ready identification of an individual on or adjacent to the property. The recordings shall be maintained at the cannabis business or other location accessible to the police department for a period of not less than ninety (90) days.

ii. A sign shall be posted inside and at the entrances to the establishment indicating that the premises are under camera/video surveillance.

iii. The surveillance system recordings shall be maintained in such manner as to allow remote access by the police department. The police chief may request that the permittee provide secured electronic access to video feeds of the surveillance system in real time, to be provided via an online portal or through other software deemed acceptable to the police chief.

b. Loitering Adjacent to a Cannabis Business. Licensees shall take reasonable measures to reduce loitering by cannabis business members, patrons, guests and invitees in public areas, sidewalks, alleys and areas surrounding the property and adjacent premises during the business hours of the cannabis business.

c. Identification Verification System. Each cannabis business shall require identification upon entry to the cannabis business and shall implement electronic verification of identification provided to ensure that applicable age restrictions in SLTCC 6.55.800(A)(5) are complied with.

d. Curbside Delivery. Curbside delivery of cannabis or cannabis products must occur under video surveillance that meets the requirements of SLTCC 4.180.030(C)(1)(a)(i) for recording point-of-sale areas. Retail employees engaging in curbside delivery must verify each customer's age and identity.

2. Nuisances Prohibited. A licensee shall take reasonable steps to correct objectionable conditions that constitute a nuisance on any public sidewalk or public space abutting the cannabis business premises.

a. For purposes of this section, "objectionable conditions that constitute a nuisance" means public consumption of cannabis or cannabis products, disturbance of the peace, drug trafficking, disposing of litter or trash, or excessive loud noise.

b. For purposes of this section, "reasonable steps" means all of the following:

i. Calling the local law enforcement agency. Timely calls to the local law enforcement agency that are placed by the licensee, or his or her agents or employees, shall not be construed as evidence of objectionable conditions that constitute a nuisance.

ii. Requesting those persons engaging in activities causing objectionable conditions to cease those activities, unless the licensee, or his or her agents or employees, feels that their personal safety would be threatened in making that request.

iii. Making good faith efforts to remove items that facilitate loitering, such as furniture, except those structures approved or permitted by the local jurisdiction. The licensee shall not be liable for the removal of those items that facilitate loitering.

3. State License Required to Operate. Operation of a cannabis business shall not commence until a licensee has obtained a valid state license. Licensees shall maintain a valid state license at all times during operation of a cannabis business.

D. Inspection of Cannabis Business.

1. City officials may enter and inspect, investigate, audit, or review any licensee's cannabis business, without prior notice, to ensure compliance and enforcement of the provisions of this chapter. An inspection, investigation, review or audit may be conducted at any time that the licensee is exercising privileges under the license or at such time otherwise as agreed to by the police chief and the licensee.

2. No licensee or any other person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this chapter.

3. This subsection shall not be construed to require a licensee to cooperate with a request that would require the licensee to waive any constitutional or statutory privilege or to comply with a request for information or other matters within an unreasonable period of time in light of the time constraints of the licensee's business.

E. Notification to Police Department of Security Breaches. Each licensee shall notify the chief of police immediately after discovering any of the following: diversion, theft, loss, or any criminal activity involving the cannabis business; significant discrepancies identified during inventory; or any other breach of security.

F. Transfer of Cannabis Public Safety Licenses Prohibited. Cannabis public safety licenses issued pursuant to this chapter shall be nontransferable to a different person or entity. Any attempt to transfer or any transfer of ownership or control of a cannabis business shall be grounds for revocation of the cannabis public safety license by the chief of police.

4.180.040 Cannabis public safety license – General provisions.

A. Application Procedures.

1. Public safety license application must be approved prior to the applicant initiating the cannabis use permit application process as set forth more fully in Article X of Chapter 6.55 SLTCC.

~~2. Public safety licenses shall not be issued until after the city council has approved a development agreement for the proposed cannabis business.~~

~~3~~2. The city council may set further application procedures and requirements by separate resolution.

B. Application Filing Requirements. A complete cannabis public safety license application or application for renewal or amendment along with all required fees and materials required by this chapter shall be submitted in order for a person, entity, and/or business to be considered for a cannabis public safety license. All cannabis public safety license applications or applications for renewal or amendment shall be filed with the chief of police using forms and authorizations provided by the city.

1. Eligibility for Filing. Public safety license applications and applications for renewal or amendment shall be filed by the owner and/or operator of the cannabis business.

2. Cannabis public safety license applications and applications for renewal or amendment shall include:

a. For each licensee, owner, operator and employee of the cannabis business, a fully legible copy of one valid government-issued form of photo identification, such as a state driver's license or identification card. Acceptable forms of government-issued identification include, but are not limited to, driver's license or photo identity cards issued by the State Department of Motor Vehicles (or equivalent), a passport issued by the United States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents) or a permanent resident card.

b. If the cannabis business is incorporated, a certified copy of the articles of organization, certificate(s) of amendment, bylaws, and statement(s) of information filed with the California Secretary of State for the cannabis business.

c. If the cannabis business is a limited liability company, a certified copy of the articles of organization, certificate(s) of amendment, operating agreement, bylaws, and statement(s) of information filed with the California Secretary of State for the cannabis business.

d. If the cannabis business is an unincorporated association, a copy of the articles of association and any filings made with the California Secretary of State.

e. The name, address, electronic mail address and mobile phone number of the applicant's or licensee's current designated agent for service of process.

f. Emergency Contact. The name, electronic mail address, and mobile phone number of an owner, operator, or manager to act as an on-site community relations staff person to whom the city may provide notice of any operating problems associated with the cannabis business.

g. A statement dated and signed by each applicant, under penalty of perjury, that the applicant has personal knowledge of the information contained in the application, that the information contained therein is true and correct.

3. In addition to a completed public safety license application or application for renewal, applicants or licensees shall provide and submit the following information to the chief of police:

a. The applicant and each owner, operator and employee shall consent to fingerprinting and a criminal background investigation, and shall undergo fingerprinting and a criminal background investigation.

b. Security Plans. Applicants shall provide a plan to provide adequate security on the premises of the cannabis business. The plan shall include standards showing the cannabis business's ability to comply with the conditions of SLTCC 4.180.030(C).

C. Ongoing Filing and Reporting Requirements. Where a cannabis business or licensee replaces, hires, appoints or employs new operators and/or employees to its cannabis business, all such operators and employees shall be required to submit to fingerprinting and a criminal background investigation pursuant to subsection (B)(3) of this section. A cannabis business or licensee has an ongoing obligation to immediately report to the police chief any conviction for an offense listed in SLTCC 4.180.050(A)(3) imposed on an owner, operator and/or employee of the cannabis business or licensee. A cannabis business or licensee shall also have an ongoing obligation to immediately report to the chief of police any of the events listed in SLTCC 4.180.050(A)(4) or (A)(5).

4.180.050 Public safety license ~~and public safety license~~issuance, renewal, and amendment – Approval and denial.

A. Criteria for Issuance. Cannabis public safety license applications or applications for renewal or amendment shall be approved where the chief of police confirms that the following criteria have been met:

1. The applicant and each owner, operator and employee of the cannabis business have authorized and completed fingerprinting.

2. The applicant and each owner, operator and employee of the cannabis business have authorized the use of their fingerprinting results to run a state and nationwide criminal background check.

3. The results of the criminal background checks establish that the applicant, owner(s), operator(s), and employees have not been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business.

The following offenses are substantially related to the qualifications, functions, or duties of a cannabis business:

a. A violent felony conviction, as specified in Cal. Penal Code § 667.5(c).

b. A serious felony conviction, as specified in Cal. Penal Code § 1192.7(c).

c. A felony conviction involving fraud, deceit, or embezzlement.

d. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

e. A felony conviction for drug trafficking with enhancements pursuant to Cal. Health & Safety Code § 11370.4 or 11379.8.

f. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.

4. The applicant has not been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for any unauthorized cannabis activities.

5. The applicant has not been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for cultivation or production of a controlled substance on public or private lands.

6. Security Plan. The applicant or licensee has provided a security plan providing the minimum standards set forth in SLTCC 4.180.030(C)(1).

7. Minimum Age. The applicant or licensee, and each owner, operator and employee of the cannabis business, is at least 21 years of age.

B. Criteria for Denial. Cannabis public safety licenses shall not be issued, ~~or~~ renewed, or amended where the chief of police confirms that one or more of the criteria set forth in subsection (A) of this section have not been met. If the chief of police denies the cannabis public safety license application or application for renewal or amendment, he or she shall specify in writing the reasons for the denial of the application or application for renewal, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to subsection (C) of this section.

C. Appeal from Chief of Police Determination. An applicant who disagrees with the chief of police's decision to approve or deny a cannabis public safety license application or application for renewal or amendment may appeal the decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC, Administrative Appeals.

4.180.060 Expiration and renewal of cannabis public safety licenses.

A. Cannabis public safety licenses shall expire one year after their issuance.

B. Cannabis public safety licenses must be renewed on an annual basis prior to expiration by filing with the chief of police an application for renewal and a renewal fee in an amount set forth by separate resolution of the city council, which amount is calculated to recover the city's full cost of reviewing, issuing and administering said license.

C. The application for renewal and the renewal fee shall be filed at least 30 days, but not more than 60 days, prior to the expiration of the public safety license. If a timely renewal application is filed, the licensee's cannabis public safety license shall not expire until the date that the chief of police approves or denies the public safety license application for renewal.

D. An application for renewal shall be subject to all filing requirements set forth in SLTCC 4.180.040(B) and (C).

E. The chief of police shall issue or deny an application for renewal in accordance with the provisions of SLTCC 4.180.050.

4.180.070 Suspension and revocation by chief of police.

A. A cannabis public safety license issued under the terms of this chapter shall be suspended or revoked by the chief of police if he or she concludes any of the following:

1. The cannabis business or licensee has violated any of the requirements of this chapter.

2. The cannabis business is being operated in a manner which violates the security plan required by this chapter.

3. The cannabis business is being operated in a manner which constitutes a nuisance.

4. The cannabis business has failed to comply with the conditions of operation set forth in SLTCC 4.180.030(C).

5. The cannabis business has ceased to operate for 30 days or more.

6. Results of a criminal background check establish that a licensee, owner(s), operator(s), and/or employee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business, as set forth in SLTCC 4.~~175~~180.050(A)(3).

7. The applicant has been convicted, cited, fined, or penalized by any state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for any unauthorized cannabis activities.

8. The applicant has been convicted, cited, fined, or penalized by the state or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a cannabis public safety license or cannabis public safety renewal license, for cultivation or production of a controlled substance on public or private lands.

9. The cannabis business is being operated in a manner which conflicts with or violates state cannabis laws.

10. A licensee's cannabis use permit issued pursuant to Chapter 6.55 SLTCC has been terminated or revoked.

11. A licensee has attempted to transfer or has transferred a cannabis public safety license to another person or entity.

12. A licensee's state license has been suspended, terminated, or revoked.

B. Expiration. Any cannabis public safety license revoked pursuant to this subsection shall be deemed to be expired and shall no longer entitle the licensee to any privileges authorized by the cannabis public safety license.

C. Appeal from Chief of Police Determination. A licensee who disagrees with the chief of police's decision to suspend or revoke a cannabis public safety license may appeal the police chief's decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC, Administrative Appeals.

4.180.080 No vested rights.

No person(s) shall have any vested rights to a cannabis public safety license, right or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this chapter.

6.55.700 Purpose and intent.

It is the purpose and intent of this article to regulate the cultivation, manufacturing, testing, and sales of medical and adult-use cannabis in order to ensure the health, safety, and welfare of the residents of the city of South Lake Tahoe. The regulations in this article are meant to ensure compliance with the state cannabis laws and are not intended to and do not interfere with a patient's right to use medical cannabis as authorized by the state cannabis laws. Nor do these regulations criminalize the possession or cultivation of cannabis for medical or nonmedical purposes as permitted by the state cannabis laws. Cannabis businesses within the city must comply with all provisions of the city code for obtaining permits for a cannabis business and must comply with the state cannabis laws and all other applicable local and state laws.

6.55.710 Definitions.

For the purposes of this article, the following words and phrases shall have the following meanings:

"Applicant" means any person who is required to file an application for a cannabis use permit ~~and development agreement~~ to operate a cannabis business under this article, including without limitation an individual owner, operator, or agent of a cannabis business.

"Cannabis" shall have the meaning set forth in Section 26001(~~e~~f) of the Business and Professions Code and as subsequently amended.

"Cannabis business" shall include:

a. Any business, facility, use, establishment, property, or location, whether fixed or mobile, where a commercial cannabis activity takes place.

b. Any building, facility, use, establishment, property, or location where any person or entity establishes, commences, engages in, conducts, or carries on, or permits another person or entity to establish, commence, engage in, conduct, or carry on, any activity that requires a state license under Business and Professions Code Section 26000 and following, including but not limited to cannabis cultivation, cannabis distribution, cannabis manufacture, cannabis testing and cannabis retail sales, and the operation of a cannabis microbusiness.

"Cannabis product" shall have the same meaning as in Section 11018.1 of the Health and Safety Code.

"Canopy" means all areas occupied by any portion of a cannabis plant, encompassing all vertical planes (i.e., stacking of plants), whether contiguous or noncontiguous on any one site. The canopy shall be measured by taking the longest length and widest width of existing plants (including all gaps, walkways, and open areas between plants) and multiplying the longest length by the longest width to get the area of the cannabis canopy. Each level of a stacked cultivation will be calculated as a separate canopy.

"Commercial cannabis activity" shall include the cultivation, possession, manufacturing, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products, or acting as a cannabis event organizer for temporary cannabis events.

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

"Cultivator" means any cannabis business engaged in cultivation activities, but specifically excluding cultivation in a private residence or accessory dwelling unit authorized pursuant to SLTCC 6.55.720.

"Day care center" shall have that meaning as set forth in Section 1596.76 of the Health and Safety Code.

"Delivery" means the commercial transfer of cannabis or cannabis products to a customer or patient. "Delivery" also includes the use by a retailer of any technology platform.

"Delivery operation" means a cannabis business that engages in or otherwise provides deliveries.

"Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

"Distributor" means any cannabis business engaged in distribution.

"Drug paraphernalia" shall have the meaning set forth in California Health and Safety Code Section 11014.5, and as subsequently amended.

"Edible cannabis product" means cannabis that is intended to be used, in whole or in part, for human consumption.

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

"Identification card" shall have the meaning set forth in California Health and Safety Code Section 11362.7~~12~~(g), and as may be amended from time to time.

"Manufacture" means to compound, blend, extract, infuse, package, label, or otherwise make or prepare a cannabis product.

"Manufacturer" means any cannabis business that conducts any activities involving the manufacture of a cannabis product.

~~"Medical marijuana dispensary" shall mean a cooperative or collective of four or more members associating at a particular location or real property to cooperatively distribute cannabis to members for medical purposes and that operates on a not-for-profit basis.~~

"Medicinal cannabis" or "medicinal cannabis product" shall have the meaning set forth in California Business and Professions Code Section 26001(~~ai~~al)(1), which includes cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician's recommendation.

"Microbusiness" means a cannabis business that engages in commercial cannabis activities of at least three of the following types of cannabis businesses: retailer, distributor, manufacturer, cultivator.

"Operator" shall mean any person responsible for management of the cannabis business; any person listed as an officer, director, manager, or member in the Statement of Information filed with the Secretary of State for a cannabis business; any person listed in a governing document for a cannabis business, such as bylaws, articles of incorporation, or operating agreement; any person owning an interest in the cannabis business, unless the interest is solely a security, lien, or encumbrance; and any person that supervises an employee of the cannabis business.

"Owner" shall have that meaning set forth in Section 26001(~~am~~ap) of the Business and Professions Code and as it may be amended.

"Package" or "packaging" means any container or wrapper that may be used for enclosing or containing any cannabis or cannabis products. The term "package" does not include any shipping container or outer wrapping used solely for the transportation of cannabis or cannabis products in bulk quantity to another licensee or licensed premises.

"Park" shall mean any land, with public access, intended to provide recreation. For the purposes of this article, "park" also includes public beaches.

"Permittee" shall mean any person issued a cannabis use permit under this article.

"Physician" shall mean a licensed medical doctor, including a doctor of osteopathic medicine as defined in the California Business and Professions Code.

"Property" shall mean the designated structure or structures and land specified in the cannabis use permit application that is owned, leased or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

"Retailer" means any cannabis business that engages in the sale of cannabis or cannabis products to customers, including medical and adult-use cannabis or cannabis products.

"School" means any public or private school providing instruction in kindergarten or any of grades one to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

"State cannabis laws" means and includes California Health and Safety Code Sections 11362.1 through 11362.45; California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program); California Business and Professions Code Section 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)); all state laws enacted or amended pursuant to SB-94, Chapter 27, Statutes of 2017; the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section 147.5; California Revenue and Taxation Code Sections 34010 through 34021.5; California Fish and Game Code Section 12029; California Water Code Section 13276; all state regulations adopted by the Department of Cannabis Control; any license issued by the Department of Cannabis Control; and all other applicable laws of the state of California regulating cannabis or cannabis products.

"Testing laboratory" means a laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products and is licensed by the Department of Cannabis Control.

"Youth centers" shall mean any youth center, as defined in Section 11353.1(e)(2) of the Health and Safety Code, any playground, as defined in Section 11353.1(e)(1) of the Health and Safety Code, and any child day care facility, as that term is defined in Section 1596.750 of the Health and Safety Code.

6.55.720 Residential cultivation of cannabis.

A. No person or entity may cultivate cannabis in any residence in the city, except that a person may cultivate no more than six living cannabis plants inside his or her private residence or inside an accessory structure to his or her private residence located upon the grounds of that private residence that is fully enclosed and secured against unauthorized entry; provided, that the owner of the property provides written consent expressly allowing the cannabis cultivation to occur, there is no use of gas products (CO_2, butane, propane, natural gas, etc.) on the property for purposes of cannabis cultivation, and the cultivation complies with Health and Safety Code Section 11362.2(a)(3), as it may be amended.

B. Amortization of Existing Residential Cultivation Permits. All residential cultivation permits previously issued by the city are hereby deemed amortized and are null and void.

C. No Vested Rights. No person(s) shall have any vested rights to any permit, right or interest under this article, regardless of whether such person(s) cultivated cannabis prior to adoption of the ordinance codified in this article.

D. Public Nuisances. Cultivation shall not create a public nuisance and adversely affect the health or safety of persons residing in or near the residence where the cultivation occurs. A public nuisance may be deemed to exist if cultivation produces:

1. Odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby properties or areas open to the public;

2. More than three substantiated responses to valid confirmed complaints in a one-year time period to the residence from law enforcement officers;

3. More than three disruptions in a one-year time period to the free passage of persons or vehicles in the neighborhood;

4. Excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby properties or areas open to the public in accordance with SLTCC 4.70.160;

5. Adverse effects to health or safety through creation of mold, mildew, dust, glare, heat, noise, noxious gases, odor, smoke, traffic, parking, vibration, or other impacts, or be hazardous because of the use or storage of materials, processes, products or wastes.

E. Environment. Runoff and waste disposal by the residence where cultivation occurs must be in compliance with any applicable city, county, regional, state, and federal laws and regulations. A violation of any applicable city, county, regional, state, or federal law will be deemed a violation of this article.

F. Cultivation of cannabis in residences shall be in conformance with the following requirements:

1. Cultivation shall only occur in fully enclosed and secure structures. All outdoor cultivation of cannabis is strictly prohibited.

2. Cultivation shall only occur in residences which are in full compliance with the city code, including the building code and fire code.

3. No cooking, baking, or alteration as to form and substance of cannabis for commercial purposes, and/or sale, is permitted in a residence which cultivates cannabis.

4. From a public right-of-way, there shall be no exterior evidence of cannabis cultivation occurring at the residence.

6.55.730 Cannabis businesses – Use permit ~~, development agreement,~~ and public safety license required.
It shall be unlawful for any person to engage in, to conduct or carry on (or to permit to be engaged in, conducted or carried on) in or upon property located within the city, the operation of a cannabis business unless that person has first obtained and continues to maintain in full force and effect: a valid cannabis use permit issued by the city for that property~~, a development agreement with the city for use of the property as a cannabis business,~~ and a valid cannabis public safety license issued by the city to the owner and/or operator of the cannabis business, pursuant to Chapter 4.180 SLTCC.

6.55.740 Cannabis businesses – General provisions.
A. Cannabis Businesses Allowed.

1. Only those types of cannabis businesses set forth in this section shall be allowed within the city:

a. Retailers.

b. Microbusinesses.

c. Testing labs.

d. Cultivators.

e. Manufacturers.

f. Distributors.

g. Delivery operations.

~~h. Existing permitted medical marijuana dispensaries, subject to SLTCC 6.55.840.~~

Any and all cannabis businesses, activities, nonprofits, associations, enterprises, collectives, cooperatives or dispensaries not expressly described herein are expressly prohibited. Temporary cannabis events are prohibited within the city.

2. No more than one cannabis business may exist in the same suite or unit on a lot or parcel of property.

3. An owner and/or operator of a cannabis business may not own or operate more than one retail cannabis business, including a microbusiness with a retailer component, within the city.

4. No more than four retailers are permitted in the city, including microbusinesses with a retailer component. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers within the city that originate from retailers outside the city's jurisdictional limits are not subject to this limitation.

5. No more than two microbusinesses are permitted in the city, unless after the application period referenced in SLTCC 6.55.750(C) there are open permits for retailers, cultivators, manufacturers, or distributors, in which case the city council may adopt a resolution to reopen the application period to allow additional microbusinesses combining the open permit types.

6. No more than two cultivators are permitted in the city.

7. No more than four manufacturers are permitted in the city.

8. Distributors are permitted in the city only as part of a microbusiness, unless one or more of the permitted microbusinesses do not include a distributor component, in which case a distributor shall be permitted for each microbusiness without a distributor component.

~~9. Medical marijuana dispensaries operating under SLTCC 6.55.840 shall not be considered in determining the number of retailers, microbusinesses, manufacturers, distributors, or cultivators allowed under subsections (A)(4) through (A)(8) of this section. The maximum number of cannabis businesses permitted under the numerical limitations set forth in subsections (A)(4) through (A)(8) of this section are in addition to any medical marijuana dispensaries operating under SLTCC 6.55.840.~~

B. Limitations on Location.

1. Permissible Zoning. Subject to limitations described in this article and other parts of SLTCC Title 6, and applicable regulations of the Tahoe Regional Planning Agency, cannabis businesses may operate only in a location where such land use will be consistent with the land uses authorized under the applicable area plan, plan area statement, and/or community plan for such location. Table 6.55.740 sets forth the applicable permissible use categories for each type of cannabis business.

Table 6.55.740

City Cannabis Business Type	TRPA Permissible Use Categories
a. Retailers (including delivery operations)	"food and beverage retail sales" and "general merchandise stores"
b. Microbusinesses	
i. Retailer	See a.
ii. Distributor	See f.
iii. Manufacturer	See e.
iv. Cultivator	See d.
c. Testing labs	"industrial services"
d. Cultivators	"industrial services"
e. Manufacturers	"food and kindred products" and "small scale manufacturing"*
f. Distributors	"wholesale and distribution"

* The applicable TRPA permissible use category for a manufacturer will depend on the type of cannabis product being manufactured.

2. Areas and Zones Where Cannabis Businesses Are Not Permitted.

a. Notwithstanding subsection (B)(1) of this section, a cannabis business may not operate on a parcel or lot located within 1,000 feet of a school, or 600 feet of a youth center, or 600 feet of a day care center, or 150 feet of any park, any religious institution, any residential or outpatient drug or alcohol treatment facility licensed by the State Department of Health Care Services, or hospital, that is in existence at the time the cannabis use permit is issued.

Distances under this subsection shall be calculated as a straight line from any parcel line of the property on which the cannabis business is located to the parcel line of the real property on which the facility, building, or structure, or portion of the facility, building or structure, in which the listed use occurs or is located. Locational restrictions shall apply to an entire parcel if any portion of the parcel is located within the applicable buffer distance.

b. Cannabis businesses may not operate on a parcel or lot located within a residential designated land use area, as depicted in the city's general plan.

C. Transfer of Cannabis Use Permits.

1. Permit – Site Specific. A permittee shall not operate a cannabis business under the authority of a cannabis use permit at any place other than the parcel and specified address of the cannabis business stated in the application for the permit. All permits issued by the city pursuant to this article shall be nontransferable to a different location.

2. Transfer of a Permitted Cannabis Business. A permittee shall not transfer ownership or control of a cannabis business or attempt to transfer a cannabis use permit to another person unless and until the transferee obtains an amendment to the cannabis use permit from the planning commission to the permitting requirements of this article stating that the transferee is now the permittee. Such an amendment may be obtained only if the transferee files an application with the development services department in accordance with all provisions of this article accompanied by the required transfer review application deposit.

3. Request for Transfer with a Revocation or Suspension Pending. No cannabis use permit may be transferred (and no permission for a transfer may be issued) when the development services department has notified the permittee in writing that the permit has been or may be suspended or revoked for noncompliance with this chapter and a notice of such suspension or revocation has been provided.

4. Transfer without Permission. Any attempt to transfer a cannabis use permit either directly or indirectly in violation of this chapter is declared void, and the permit shall be deemed revoked.

6.55.750 Cannabis use permit application requirements.

A. Cannabis Public Safety License. Applicants seeking a cannabis use permit ~~and development agreement~~ to operate a cannabis business within the city shall first submit an application for a cannabis public safety license. Upon the chief of police's, or ~~his/her~~their designee's, approval of the application for a cannabis public safety license, the applicant may submit an application for a cannabis use permit ~~and development agreement~~ to operate a cannabis business.

B. Except as set forth in this article, applications for cannabis use permits shall be processed consistent with Article VII (Use Permits and Variances). The city manager, or ~~his/her~~their designee, may recommend, and the city council may establish by resolution, any necessary procedures and application requirements.

C. Use Permits for Retailers, Cultivators, Manufacturers, Distributors, and Microbusinesses. Because only a limited number of retailers, cultivators, manufacturers, distributors, and microbusinesses are permitted, an application period for these businesses shall be established that allows ~~the city to select the best applicants for negotiation of a development agreement. Such~~ applicants ~~shall~~ to be placed on a qualified applicant list. The process and selection criteria for selection of the best applicants to be placed on the qualified applicant list shall be established by resolution of the city council.

D. Applications shall include a requirement that applicants demonstrate owner consent to operate a cannabis business on the property. Applications for cannabis retailers shall also include a statement as to whether the use will include delivery of cannabis and cannabis products to locations outside the retailer's property. If delivery services will be provided, the application shall describe the operational plan and specific extent of such service, security protocols, and how the delivery services will comply with the requirements set forth in this article and state law.

E. Site Plan. Applicants shall submit a site plan that shall include a floor plan, and a scaled premises diagram showing the boundaries of the cannabis business and property with all boundaries, dimensions, entrances and exits, interior partitions and walls, with labeling of each room, windows and common shared entryways. If the proposed cannabis business consists of only a portion of the property, the diagram shall be labeled indicating which part of the property is the proposed cannabis business and what the remaining property is used for.

F. Cost Recovery. Every application for a cannabis use permit shall be accompanied by a deposit (in an amount established by resolution of the city council) and the applicant shall replenish such deposit at the request of the city to allow for recovery of the city's full cost of reviewing and issuing said permit ~~and preparing and considering a development agreement~~.

6.55.760 Review, issuance, and/or denial of cannabis use permit applications.

A. Criteria for Issuance. In addition to the required findings for issuance of a special use permit in SLTCC 6.55.620(B), the planning commission, or the city council on appeal, shall make all of the following findings in determining whether to grant, modify, or deny a cannabis use permit for any cannabis business:

1. If the cannabis business is a microbusiness, retailer, manufacturer, distributor, or cultivator, the applicant is on the qualified applicant list established and maintained by the city.

2. The cannabis use permit application is complete and the applicant has submitted all information and materials required.

3. The proposed location of the cannabis business will comply with the buffer requirements in SLTCC 6.55.740(B) and is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proximity of the proposed cannabis business to a school, youth center, park, church, state licensed drug or alcohol treatment facility, or hospital.

4. The proposed location of the cannabis business is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proposed cannabis business's proximity to another existing or permitted cannabis business, and no significant nuisance issues or problems are likely or anticipated.

5. The design of the cannabis business is compatible with the city's design guidelines.

6. The property is located on a property which is consistent with all development standards of this title.

7. The location is not prohibited under the provisions of this title or any local or state law, statute, rule, or regulation.

8. The cannabis business will not violate any provision of the SLTCC or condition imposed by a city-issued permit, or any provision of any other local or state law, regulation, or order, or any condition imposed by permits issued in compliance with those laws.

9. The site plan for the cannabis business has incorporated features necessary to assist in reducing potential nuisance and crime-related problems. These features may include, but are not limited to, procedures for allowing entry; reduction of opportunities for congregating and obstructing public ways and neighboring property; and limiting furnishings and features that encourage loitering and nuisance behavior.

B. Supplemental Findings – Cannabis Testing Laboratory. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a testing lab:

1. The owners, permittees, operators, and employees of the testing lab will not be associated with any other form of commercial cannabis activity.

2. The testing lab meets the accreditation requirements set forth in Business and Professions Code Section 26100(h) and any applicable regulations enacted by the Department of Cannabis Control.

3. The testing lab operating plan demonstrates proper protocols and procedures for statistically valid sampling methods and accurate certification of cannabis and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.

C. Supplemental Findings – Cultivators. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a cultivator:

1. The cultivation of cannabis for commercial purposes shall only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis will be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides.

4. The applicant for cultivation for cultivation of cannabis with a total canopy size greater than 5,000 square feet per property has submitted documentation that electrical power used for commercial cannabis activity meets the average electricity greenhouse gas emissions intensity required by the local utility provider pursuant to the California Renewables Portfolio Standard Program, and has submitted an energy efficiency plan showing measures being taken to minimize energy consumption in lighting, HVAC, and dehumidifying equipment.

D. Supplemental Findings – Manufacturers. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a manufacturer:

1. The manufacturer shall be limited to 2,500 square feet of fully enclosed space.

2. The manufacturer shall not undertake any volatile extraction activities, and shall only conduct the operations authorized under the “Type 6,” “Type N,” or “Type P” license categories, as defined in the Department of Cannabis Control regulations, Title 4 of the California Code of Regulations, Section 17006, as may be amended.

E. Criteria for Denial. The planning commission shall deny an application that meets any one of the following criteria:

1. Any supervisor, employee, or person having a 10 percent or more financial interest in the cannabis business has been convicted of a felony or a drug-related misdemeanor reclassified by Section 1170.18 of the California Penal Code (Proposition 47) within the past 10 years. A conviction within the meaning of this subsection means a plea or verdict of guilty or a conviction following a plea of nolo contendere;

2. Any person who is listed on the application or is an owner or operator, is a licensed physician making patient recommendations for medical cannabis pursuant to Section 11362.7 of the Health and Safety Code;

3. Any person who is listed on the application or is an owner or operator is less than 21 years of age;

4. The proposed cannabis business does not comply with the provisions of this article or state cannabis laws; and

5. The planning commission is unable to make a required finding contained in this section.

F. Planning Commission Determination. If the planning commission, by a majority vote of a quorum of commissioners, denies the application, the planning commission shall specify in writing the reasons for the denial of the application, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to Chapter 2.35 SLTCC.

~~G. Use Permit and License Issuance. No cannabis use permit shall be issued by the city until a development agreement is approved for the operation of the cannabis business. Within 10 days after the city council's approval of a development agreement for the operation of a cannabis business, the chief of police shall issue all permittees a cannabis public safety license, and the development services department shall issue a cannabis use permit, provided that the planning commission has made all findings required under this section.~~

~~H~~G. Indemnification. Cannabis use permits shall contain a condition requiring the dispensary, through its management members, to execute an agreement in a form approved by the city attorney whereby the cannabis business (1) releases the city, and its agents, officers, elected officials, and employees from any injuries, damages, or liabilities of any kind that result from any arrest or prosecution of the cannabis business or its management members, employees, or members for violation of state or federal laws, (2) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by any party arising out of the city's decision to permit the operation of the cannabis business, and (3) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries of any kind brought by adjacent or nearby property owners or other third parties due to the operations at the cannabis business.

6.55.770 Appeal from planning commission determination.

An applicant or any interested party who disagrees with the planning commission's decision to issue, issue with conditions, or to deny or revoke a cannabis use permit may appeal the planning commission's decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC.

6.55.780 Suspension and revocation by planning commission.

A. Authority to Suspend or Revoke a Cannabis Use Permit. Any permit issued under the terms of this article may be suspended or revoked by the planning commission.

B. A cannabis use permit may be revoked if it appears to the planning commission that the cannabis business has violated any of the requirements of this article or the security plan required pursuant to Chapter 4.180 SLTCC, or the cannabis business is being operated in a manner which constitutes a nuisance, or the cannabis business has ceased to operate for 30 days or more, or the owner or operator of the cannabis business fails to maintain a valid and current public safety license, ~~or the cannabis business has not entered into and/or complied with the terms of a valid development agreement,~~ or the cannabis business is being operated in a manner which conflicts with or violates state cannabis laws.

C. Any cannabis use permit revoked pursuant to this section shall be deemed to be expired and shall no longer entitle the permittee to any uses authorized by the cannabis use permit.

D. Revocation, expiration or nullification of a cannabis public safety license pursuant to SLTCC 4.180.060 and 4.180.070~~, or expiration of a development agreement to operate the cannabis business,~~ shall automatically terminate the cannabis use permit issued to the licensee and shall terminate the ability of the licensee to operate a cannabis business without initiation of revocation proceedings by the planning commission.

E. Annual Review of Cannabis Businesses. The development services department is hereby authorized to conduct an annual review of the operation of each permitted cannabis business within the city for full compliance with the operational, record-keeping, nuisance and other requirements of this article, in coordination with any other departments of the city. Each cannabis business shall pay a fee in an amount established by resolution of the city council which shall be collected in order to reimburse the city for the time involved in the annual review process~~, unless such fee is set forth in a development agreement approved by the city council for such cannabis business~~. The staff may initiate a permit suspension or revocation process for any cannabis business which, upon completion of an annual review, is found not to be in compliance with the requirements of this chapter or which is operating in a manner which constitutes a public nuisance. Staff may, based upon its annual review of the operation of a cannabis business, place on a planning commission meeting agenda, a proposal to suspend or revoke a cannabis use permit.

~~**6.55.790 Development agreement.**~~

~~A. Prior to operating in the city and as a condition of issuance of a cannabis use permit, each cannabis business shall enter into a development agreement pursuant to Government Code Section 65864 et seq. with the city setting forth the terms and conditions under which the cannabis business will operate that are in addition to the requirements of this article, including, but not limited to, public outreach and education, community service, payment of fees and other charges as set forth in subsection (C) of this section, and such other terms and conditions that will protect and promote the public health, safety, and welfare. Further procedures and minimum standards for a development agreement may be enacted by resolution of the city council.~~

~~B. The planning commission shall make a recommendation to the city council on whether to approve a development agreement submitted to it by city staff. The city council shall make a final decision on whether to approve a development agreement recommended to the city council by the planning commission.~~

~~C. Development agreements shall include a provision requiring the payment of a public safety impact mitigation fee based on a pro rata share of projected annual enforcement costs for cannabis businesses within the city. Additionally, applicants may provide for a community public benefit, in an amount not to exceed six percent of gross receipts received.~~

~~D. If the voters of the city of South Lake Tahoe pass a measure approving any tax on any cannabis businesses, any development agreements entered into pursuant to this section shall expire upon the expiration of the term set forth in such development agreement, and shall not be renewed. All cannabis businesses operating pursuant to a development agreement shall be subject to any applicable taxes approved by the voters.~~

6.55.800 Cannabis businesses – Conditions of operation.

A. All Cannabis Businesses. All cannabis businesses shall be operated, maintained, and managed on a day-to-day basis in compliance with the following operational conditions and requirements:

1. State Licensing and Compliance with State Cannabis Laws. The city recognizes that state law requires dual licensing at the state and local level for all cannabis businesses. All operators shall therefore be required to diligently pursue and obtain a state cannabis license at such time as the state begins issuing such licenses, and shall comply at all times with all applicable state cannabis laws.

2. Cannabis Public Safety License. A cannabis business shall maintain a cannabis public safety license at all times. The failure to maintain a cannabis public safety license, revocation of a cannabis public safety license, or lapse in renewal of a cannabis public safety license shall be the basis for immediate termination of the right to operate a cannabis business under a cannabis use permit.

~~3. A cannabis business shall have entered into a development agreement with the city and shall comply with the terms of the development agreement at all times during operations of the cannabis business.~~

~~4~~3. Employees. It shall be unlawful for the applicant, owner, operator, or any other person effectively in charge of any cannabis business to employ any person who is not at least 21 years of age.

~~5~~4. Minors. Persons under the age of 21 years shall not be allowed on the premises of a cannabis business unless they are a qualified patient. The entrance to each cannabis business shall have, clearly and legibly posted, a notice indicating that persons under the age of 18 are prohibited from entering the premises unless they are a qualified patient and they are in the presence of their parent or guardian.

~~6~~5. Every cannabis business shall display, at all times during its regular business hours, the cannabis use permit and cannabis public safety license issued for such cannabis business in a conspicuous place so that the same may be readily seen by all persons entering the cannabis business.

~~7~~6. No cannabis business shall hold or maintain a license from the State Department of Alcoholic Beverage Control for the sale of alcoholic beverages, or operate a business on the premises of the cannabis business that sells alcoholic beverages, or otherwise allow alcoholic beverages to be possessed, distributed, or consumed on the premises.

~~8~~7. No cannabis business shall be a retailer of tobacco products.

~~9~~8. Operation of a cannabis business shall not result in illegal redistribution or sale of cannabis obtained, or the use or distribution in any manner which violates state cannabis laws or this article.

~~10~~9. Odors. All cannabis businesses shall be sited and/or operated in a manner that prevents cannabis odors from being detected off site. All structures utilized for indoor cannabis cultivation shall be equipped and/or maintained with sufficient ventilation controls (e.g., carbon scrubbers) to eliminate nuisance odor emissions from being detected off site.

~~11~~10. Security. The cannabis business shall at all times comply with all elements of its security plan, submitted as a part of its cannabis public safety license application pursuant to Chapter 4.180 SLTCC.

~~12~~11. Signage and Advertising. The cannabis business shall comply with all applicable provisions of Chapter 6.40 SLTCC and any applicable Tahoe Regional Planning Agency regulations. All advertising shall comply with Business and Professions Code Section 26151.

~~13~~12. On-Site Consumption. On-site consumption shall be prohibited.

~~14~~13. Additional Conditions. The planning commission may impose additional conditions which it deems necessary to ensure that operation of the cannabis business will be in accordance with the standards and regulations provided in this title, the standards set forth by separate resolution of the city council, and applicable state laws.

B. Supplemental Conditions – Retailers. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis retailer shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Retailers may not sell drug paraphernalia and implements that may be used to ingest or consume cannabis except where such sales and operations comply with Health and Safety Code Section 11364.5.

2. Retailers shall not be enlarged in size (i.e., increased floor area) without the planning commission's prior review and approval and an approved amendment to the existing cannabis use permit applied for and issued pursuant to the requirements of this article.

3. Retailers shall only sell, deliver, or give away medical cannabis to individuals authorized to receive medical cannabis in accordance with state cannabis laws. Retailers of medical cannabis shall require such persons receiving medical cannabis to provide valid official identification, such as a Department of Motor Vehicles driver's license or State Identification Card, each time he or she seeks to purchase medical cannabis.

4. Hours of Operation. Retailers may only operate during the hours between 6:00 a.m. through 10:00 p.m. The planning commission may further restrict a retailer's days and hours of operation as a condition of a cannabis use permit. A retailer shall post its approved days and hours of operation on a sign located on the street frontage of the cannabis business in a manner consistent with the city's sign regulations. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers are not subject to these limited hours of operation.

5. Retailers shall not have a physician on-site to evaluate patients and/or provide recommendations for the use of medical cannabis.

6. State Seller's Permit. Retailers shall, at all times during operation, maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code.

7. Retailers shall make available lock bags on site for purchase or shall provide information on how to obtain a lock bag.

8. Cannabis and cannabis products shall only be sold as pre-packaged consumer products, and each type of product shall be pre-packaged in a uniform amount per package. Cannabis and cannabis products shall be pre-packaged for general sale and not at the request of any specific customer.

C. Supplemental Conditions – Cultivators. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis cultivation operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Outdoor commercial cultivation prohibited. The cultivation of cannabis for commercial purposes may only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis must be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides. Any fumigation or insecticidal fogging shall comply with the California Fire Code Chapter 26 (Fumigation and Insecticidal Fogging).

4. Screening. Cannabis plants shall not be visible from any location beyond the property.

5. Cultivators shall maintain either the "Type 1A" (specialty indoor), "Type 1B" (specialty mixed-light), "Type 1C" (specialty cottage), "Type 2A" (small indoor), "Type 2B" (small mixed-light), "Type 3A" (indoor), "Type 3B" (mixed-light) or "Type 4" (nursery) licenses as defined in Business and Professions Code Section 26061, and issued by the Department of Cannabis Control, at all times of operation.

6. Cultivators may not engage in retail sales at the same property as cultivation.

D. Supplemental Conditions – Delivery Operations. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis delivery operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Delivery operations shall only be operated by a permitted cannabis retailer that has a physical location and a retail storefront in the city open to the public. A cannabis retailer shall not conduct sales exclusively by delivery. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers within the city that originate from retailers outside the city's jurisdictional limits are not subject to this limitation, but any such delivery operation is required to obtain a public safety license under Chapter 4.180 SLTCC.

2. Vehicles used for deliveries shall have a GPS tracker, and records shall be maintained regarding the location of all deliveries. No more than maximum of $3,000 in cash, or equivalent value of cannabis or cannabis products, may be carried at any time.

E. Supplemental Conditions – Microbusinesses. In addition to each of the conditions of operation set forth in subsection (A) of this section, each microbusiness shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Except as modified by this subsection (E), each microbusiness with a retail component shall comply with all conditions of operation set forth in subsection (B) of this section, each microbusiness with a cultivator component shall comply with all conditions of operation set forth in subsection (C) of this section, each microbusiness with a manufacturer component shall comply with all conditions of operation set forth in subsection (F) of this section, and each microbusiness with a distributor component shall comply with all conditions of operation set forth in subsection (G) of this section.

2. Microbusinesses undertaking manufacturing activity shall utilize only extraction processes that employ nonvolatile solvents for the purposes of extracting cannabinoids and processes that are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act. Microbusinesses undertaking manufacturing activity shall maintain a license of the "Type 6," "Type N," or "Type P" license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

3. The cultivation of cannabis for commercial purposes by microbusinesses shall be limited to 10,000 square feet of total canopy size per property.

4. A microbusiness with a retail component may engage in retail sales on the same property as a cultivation component, but shall limit access to the public to only the retail component of the microbusiness.

F. Supplemental Conditions – Manufacturers. In addition to each of the conditions of operation set forth in subsection (A) of this section, manufacturers shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Manufacturers shall not engage in on-site retail sales of cannabis or cannabis products.

2. Manufacturers shall utilize only extraction processes that employ nonvolatile solvents and are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act.

3. Standard of Equipment. Manufacturing, processing, and analytical testing devices used by manufacturers must be UL (Underwriters Laboratories) listed or otherwise certified by an approved third party testing agency or engineer and approved for the intended use by the city's building official and fire code official.

4. Food Handler Certification. All owners, employees, volunteers, or other individuals that participate in the production of edible cannabis products shall be state-certified food handlers. The valid certificate number of each such owner, employee, volunteer, or other individual must be on record at the property where the individual participates in the production of edible cannabis products.

5. Edible Cannabis Product Manufacturing. Manufacturers that sell or manufacture edible cannabis products shall obtain a county health permit to sell and/or manufacture edible cannabis products. Permit holders shall comply with county health permit requirements.

6. The manufacturer shall maintain a manufacturer license of "Type 6," "Type N," or "Type P" license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

G. Supplemental Conditions – Distributors. In addition to each of the conditions of operation set forth in subsection (A) of this section, distributors shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. No distributor may distribute cannabis from an unlicensed cannabis cultivator or manufacturer. Distributors may only distribute cannabis products between other licensed businesses within the state of California.

2. Distributors may not sell cannabis products directly to consumers, and cannabis distribution facilities shall be fully enclosed and inaccessible to the general public.

H. Maintenance, Access to, and Inspection of Records.

1. Every cannabis business shall maintain on-site, at the property designated for the operation of the cannabis business, all records of the cannabis business.

2. Financial Records. The cannabis business shall maintain a written accounting record or ledger of all cash, receipts, credit card transactions, reimbursements, (including any in-kind contributions), and any and all reasonable compensation for services provided by the cannabis business, as well as records of all operational expenditures and costs incurred by the cannabis business in accordance with generally accepted accounting practices and standards typically applicable to business records.

3. Record Retention Period. The records required in this subsection shall be maintained by the cannabis business for a period of five years and shall be made available to the city within 24 hours of written request.

4. A duly designated city police department or finance department representative may enter and shall be allowed to inspect the premises of every cannabis business as well as the financial and membership records of the cannabis business required by this article at any time during the cannabis business's designated business

hours, or at any appropriate time to ensure compliance and enforcement of the provisions of this article. Such representative may also require the cannabis business to also provide access to such financial records electronically. It shall be unlawful for any owner, operator, or any other person having any responsibility over the operation of the cannabis business to refuse to allow, impede, obstruct or interfere with an inspection of the cannabis business or the required records thereof.

6.55.810 Business license tax liability.

An operator of a cannabis business shall be required to apply for and obtain a business and professions tax certificate pursuant to Chapter 3.35 SLTCC as a prerequisite to obtaining a cannabis use permit or operating within the city pursuant to the terms of this article. The cannabis businesses shall be subject to sales tax and other applicable taxes in a manner required by state law.

6.55.820 No vested rights.

No person(s) shall have any vested rights to any permit, right or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this article.

6.55.830 Public nuisance.

Any use or condition caused or permitted to exist in violation of any provision of this article shall be and hereby is declared a public nuisance and may be subject to administrative citations as set forth in Chapter 2.30 SLTCC, summarily abated by the city pursuant to Chapter 4.40 SLTCC and/or Code of Civil Procedure, Section 731, or subject to any other remedy available to the city.

~~**6.55.840 Existing permitted medical marijuana dispensaries.**~~

~~A. Any medical marijuana dispensary operating pursuant to (1) a valid South Lake Tahoe dispensary permit (which permit was issued pursuant to South Lake Tahoe Ordinance No. 1032) as of the effective date of the ordinance codified in this article, or (2) a valid court order authorizing the continued operation of a medical marijuana dispensary pursuant to Ordinance No. 1032, shall be permitted to continue operation subject to compliance with all requirements set forth in Ordinance No. 1032 for a period of three years from the effective date of the ordinance codified in this article to seek permits and licenses required under the city code. During this three-year period, any existing medical marijuana dispensary may temporarily expand its land use to include adult use upon obtaining all required state licensing for such adult use and a cannabis public safety license from the city, and may provide a community public benefit in an amount not to exceed six percent of gross receipts received. At the end of the three-year period, any existing medical marijuana dispensary shall be subject to all city regulations, permit, and license requirements applicable at that time and shall be required to have obtained all applicable permits and licenses prior to continuing operation. The city manager may renew any dispensary permit previously issued pursuant to Ordinance No. 1032 during the three-year period, provided that the requirements for renewal set forth in Ordinance No. 1032 are satisfied, and may modify, deny, suspend or revoke any dispensary permit previously issued in accordance with the requirements for such action by the city manager set forth in Ordinance No. 1032.~~

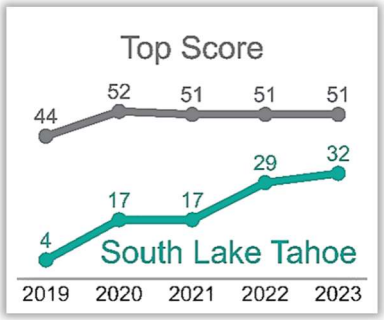
~~B. Except as set forth herein, nothing in this section shall authorize a physical or operational expansion of any existing permitted medical marijuana dispensary beyond the locations, physical sizes, or uses specifically articulated and allowed under South Lake Tahoe Ordinance No. 1032.~~

~~C. This section shall not create any vested rights to any permit, right or interest under Ordinance No. 1032, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this article or Ordinance No. 1032.~~

Cannabis Policy
2023 SCORECARD

South Lake Tahoe

This scorecard analyzes local cannabis ordinances **passed prior to January 1, 2023**, in each California city or county that legalized storefront retail sales, to assess policies in effect going into 2022. It evaluates to what extent potential **best practices were adopted to protect youth, reduce problem cannabis use and promote social equity** beyond those already in state law. Scores fall into six public health and equity focused categories for a total maximum of 100 points.



Policy Adopted Beyond State Law

No Policy Adopted Beyond State Law

Weaker than State Law

RETAILER REQUIREMENTS		TAXES & PRICES		PRODUCT LIMITS		MARKETING		SMOKE-FREE AIR		EQUITY & CONFLICTS OF INTEREST	
Limit # of retailers (max. 10 pts)	1	Local retail tax (6 pts)	6	Limit high potency products (max. 6 pts)	0	Limit billboards (max. 6 pts)	0	Prohibit temporary event permits (5 pts)	5	Licensing priority for equity applicants (3 pts)	0
Require distance >600 ft. from schools (5 pts)	5	Revenue dedicated to youth, prevention or equity (max. 6 pts)	6	END THE CANNABIS KIDS MENU		Prominent health warnings on ads (4 pts)	0	Prohibit on-site consumption (3 pts)	3	Equity in hiring requirements (3 pts)	0
Require distance between retailers (2 pts)	2	Tax by THC content (5 pts)	0	No flavored products for combustion or inhalation (max. 5 pts)	0	Limit therapeutic or health claims (3 pts)	0			Cost deferrals for equity applicants (1 pt)	0
Other location restrictions (max. 3 pts)	3	Prohibit discounting (2 pts)	0	No cannabis-infused beverages (4 pts)	0	Business signage restrictions (3 pts)	0			No prescriber on retail premises (1 pt)	1
Health warnings posted in store (4 pts)	0	Minimum price (1 pt)	0	Limit other products/ packaging attractive to youth (2 pts)	0	Limit marketing attractive to youth (2 pts)	0			No prescriber in ownership (1 pt)	0
Health warnings handed out (4 pts)	0										
11	+	12	+	0	+	0	+	8	+	1	

Getting it Right from the Start
Advancing Public Health & Equity in Cannabis Policy

TOTAL SCORE = 32

THE STATE OF CANNABIS POLICY IN CALIFORNIA'S CITIES & COUNTIES

Getting it Right from the Start
Advancing Public Health & Equity in Cannabis Policy

2023 SCORECARD METHODOLOGY

The scores are based on **six primary categories of policies** where local government can act to protect youth, public health, and equity if they opted to allow cannabis retail. Policies with the greatest potential for achieving these goals, based on the best available evidence, received higher points. Cannabis laws passed by January 1st, 2023 were scored, using legal databases, municipal codes, and direct outreach to counties or cities. The maximum score possible was 100.

1) **RETAILER & DELIVERER REQUIREMENTS:** Strategic limits on cannabis retailers can decrease youth use and exposure to cannabis.

- **Caps on Retailers (10 points max).** Limit the number of licensed retailers, we used the ratio to number of inhabitants
- **Distance from Schools (5 points).** Mandate a distance greater than 600 feet between K-12 schools and retailers
- **Retailer Buffers (2 points).** Mandate a required distance between retailers
- **Other Location Restrictions (3 points).** Mandate required distance between retailers and other youth serving locations not covered by state law such as parks, playgrounds, or universities, or other locations such as residential areas.
- **Health Warnings Posted in Stores OR Handed Out to Customers (4 points each).** Mandate retailers post and/or hand out health warnings informing consumers of relevant risks at point of sale

Delivery-only requirements:

- **Local Permit (12 points max).** Mandate local permitting by deliverers originating within and outside the jurisdiction
- **Medical Cannabis Sales (3 points).** Allow delivery sales of medicinal cannabis
- **Independent ID Verification Process (10 points max).** Mandate use of an independent age and identity verification process before cannabis delivery
- **Delivery Destinations (10 points max).** Limit where deliveries can terminate, i.e., no delivery to college dormitories

2) **TAXES & PRICES:** Taxes & higher prices can decrease youth access while raising valuable revenue for local communities.

- **Local Cannabis Tax (6 points).** Impose a local tax on cannabis retail
- **Dedicated Tax Revenue (6 points max).** Dedicate tax revenue to youth, prevention, or reinvestment in communities mostaffected by the war on drugs
- **Tax by THC Content (5 points).** Impose higher tax rates for high potency (high THC) products
- **Discounting (2 points).** Prohibit discounting on cannabis such as coupons or discount days
- **Minimum Price (1 point).** Establish a minimum price floor for cannabis

3) **PRODUCT LIMITS:** End the Cannabis Kids Menu of products that appeal to youth and limit products which increase adverse effects.

- **Limit Potency (6 points max).** Prohibit sale of high potency cannabis flower and products through bans or ceilings
- **Flavored Products (Non-Edibles) (5 points).** Prohibit sale of flavored combustible or inhalable (non-edible) products
- **Cannabis-Infused Beverages (4 points).** Prohibit sale of cannabis-infused beverages
- **Products Attractive to Youth (2 points).** Prohibit sale of products attractive to youth more clearly than state law

4) **MARKETING:** Limited exposure to marketing to decrease youth use and provide accurate warnings to inform consumers.

- **Billboards (6 points max).** Restrict or prohibit the use of billboards to advertise cannabis
- **Health Warnings on Ads (4 points).** Require health warnings on all cannabis advertisements
- **Therapeutic or Health Claims (3 points).** Prohibit the use of therapeutic or health claims on cannabis products, packages, or ads
- **Business Signage Restrictions (3 points).** Restrict on-site business advertising
- **Marketing Attractive to Youth (2 points).** Detailed restrictions on packaging or advertising attractive to youth

5) **SMOKE-FREE AIR:** Smoke-free air policies can improve air quality, protect kids, and reduce secondhand smoke exposure.

- **Temporary Events (5 points).** Prohibit temporary cannabis events such as at county fairs or concerts in parks
- **On-Site Consumption (3 points).** Prohibit on-site cannabis consumption, whether by smoking, vaping or use of edibles

6) **EQUITY & CONFLICTS OF INTEREST:** Cannabis policy can promote social equity and reduce conflicts of interest.

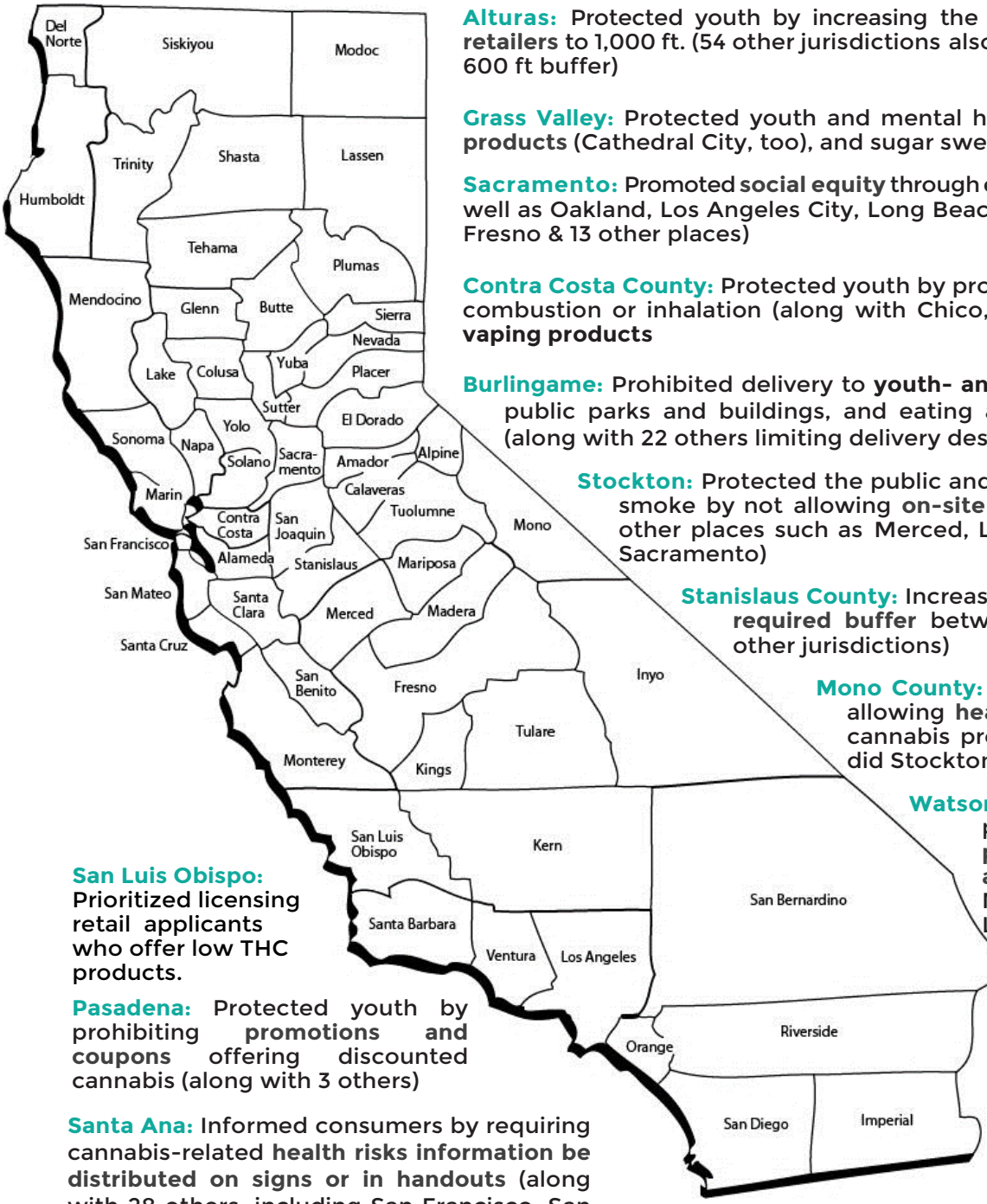
- **Priority in Licensing (3 points).** Prioritize equity applicants when issuing cannabis business licenses
- **Equity in Hiring (3 points).** Require hiring to prioritize low-income, transitional, or other workers from communities disadvantaged by the war on drugs
- **Cost Reduction/Deferral (1 point).** Reduce/defer the costs of cannabis business licenses for equity applicants
- **Conflict of Interest (2 points max).** Prohibit on-premises patient evaluations, prescriber ownership or other financial relationship with retailer, industry representation in oversight, or industry communication with application evaluation committee members.

Getting it Right from the Start is a project of the Public Health Institute. The Project has worked with experts to identify potential best regulatory practices and develop model regulatory and taxation frameworks to protect youth, public health and social equity. Visit us at www.gettingitrightfromthestart.org.

THE STATE OF CANNABIS POLICY IN CALIFORNIA'S CITIES & COUNTIES in 2022

Getting it Right from the Start
Advancing Public Health & Equity in Cannabis Policy

Examples of what your neighbors are doing to protect youth, public health, and social equity



Alturas: Protected youth by increasing the **buffer between schools and retailers** to 1,000 ft. (54 other jurisdictions also increased the state required 600 ft buffer)

Grass Valley: Protected youth and mental health by **taxing high potency products** (Cathedral City, too), and sugar sweetened cannabis beverages

Sacramento: Promoted **social equity** through equity in licensing provisions (as well as Oakland, Los Angeles City, Long Beach, San Francisco, Watsonville, Fresno & 13 other places)

Contra Costa County: Protected youth by prohibiting **flavored products** for combustion or inhalation (along with Chico, & Watsonville), and **banning vaping products**

Burlingame: Prohibited delivery to **youth- and children-serving locations**, public parks and buildings, and eating and drinking establishments (along with 22 others limiting delivery destinations).

Stockton: Protected the public and workers against secondhand smoke by not allowing **on-site consumption** (along with 135 other places such as Merced, Los Angeles City, Pasadena, & Sacramento)

Stanislaus County: Increased the number of **sites with a required buffer** between retailers (as well as 127 other jurisdictions)

Mono County: Protected consumers by not allowing **health or therapeutic claims** on cannabis products or their marketing (as did Stockton)

Watsonville: Protected youth by prohibiting **advertising, packaging and products attractive to youth** (along with Mono County, Mammoth Lakes, Turlock, and 7 others)

Salinas: Protected youth by **capping** the number of licensed retailers (108 other jurisdictions also capped the number of dispensaries)

West Hollywood: Protected consumers by requiring cannabis-related **health and safety training** of dispensary staff (Long Beach, Pasadena, Mt. Shasta, Mammoth Lakes & Mono County did, too)

San Luis Obispo: Prioritized licensing retail applicants who offer low THC products.

Pasadena: Protected youth by prohibiting **promotions and coupons** offering discounted cannabis (along with 3 others)

Santa Ana: Informed consumers by requiring cannabis-related **health risks information be distributed on signs or in handouts** (along with 28 others, including San Francisco, San Jose, Culver City, Richmond & Chico)

Chula Vista: Protected youth **by banning cannabis-infused beverages** (along with Pasadena & Mono County)

El Monte: Protected youth by **dedicating tax revenue to youth programs** and substance use prevention (along with 16 others)

NOTICE OF A PUBLIC HEARING CITY OF SOUTH LAKE TAHOE CITY COUNCIL

NOTICE IS HEREBY GIVEN that in accordance with Sections 65090, 65091 and 65856 (Planning and Zoning Law) of the Government Code: the City of South Lake Tahoe City Council will conduct a public hearing on November 21, 2023, at 5:30 p.m., or as soon thereafter as possible, at City Hall, City Council Chambers, 1901 Lisa Maloff Way (formerly Airport Road), South Lake Tahoe, to consider the following agenda tiems:

Planning Commission's recommendation to adopt an ordinance amending Article X of Chapter 6.55 (Cannabis Regulations) of the South Lake Tahoe City Code Regarding On-Site Consumption at Cannabis Retailers, Medicinal Delivery, and to Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries, and to find that the 2030 General Plan EIR adequately addresses the potential environmental impacts of the proposed ordinance and that no further environmental analysis is required under the California Environmental Quality Act because the proposed ordinance is within the scope of the previous EIR and there are no substantial changes to the project or circumstances that require major revisions to the previous EIR due to new significant environmental effects or new information of substantial importance.

Any interested person may appear at the public hearing and present written testimony or speak in favor or against the project proposal. If you challenge the above applications in court, you may be limited to raising only those issues, you, or someone else, raised at the public hearing described in this notice, or in written correspondence delivered to the South Lake Tahoe City Council at, or prior to, the public hearing.

Additional information on the proposed Ordinance is available at the Development Services Center located at 1052 Tata Lane, South Lake Tahoe, California. Staff reports are available three days before the hearing and can be downloaded from the City of South Lake Tahoe website. For any questions, please contact the Planning Division at (530) 542-6010.

Susan Blankenship

Elected City Clerk
City of South Lake Tahoe
1901 Lisa Maloff Way, Ste 206
South Lake Tahoe, CA 96150
(530) 542-6005

Published: November 3, 2023

Resolution 2023-015

Adopted by the City of South Lake Tahoe
Planning Commission

October 26, 2023

Recommending that City Council Adopt an Ordinance Amending Article X of Chapter 6.55 (Cannabis Regulations) of the South Lake Tahoe City Code Regarding On-Site Consumption at Cannabis Retailers, Medicinal Delivery, and to Remove Outdated Provisions Regarding Development Agreements and Existing Medical Marijuana Dispensaries

BACKGROUND

A. On February 5, 2019, the City Council adopted Ordinance No. 2019-1126 ("Cannabis Ordinance"), which regulates cannabis businesses in order to ensure the health, safety, and welfare of the residents of and visitors to the City of South Lake Tahoe.

B. On February 10, 2022, the Planning Commission conducted a public hearing to consider amendments to the Cannabis Ordinance, and adopted Resolution No. 2022-001 recommending that the City Council adopt an ordinance amending Article X of Chapter 6.55 (Cannabis Regulations) of the South Lake Tahoe City Code to allow on-site consumption and make other changes.

C. On March 15, 2022, the City Council voted instead to adopt a version of the ordinance to continue to prohibit on-site consumption, but included the other changes recommended by the Planning Commission, including allowing permittees to hold multiple non-retail permits and increasing the maximum canopy size for cultivators to 22,000 square feet.

D. At the City Council meeting on August 8, 2023, Councilmember John Friedrich requested that the issue of on-site consumption be brought back to City Council for discussion, which was seconded by Councilmember Tamara Wallace.

E. In 2022, the California Legislature adopted Senate Bill 1186 (The Medicinal Cannabis Patients' Right of Access Act), which effective January 1, 2024, prohibits cities from adopting or enforcing any regulation that directly or indirectly prohibits retail delivery of medicinal cannabis to patients or caregivers, and the proposed ordinance is consistent with SB 1186.

F. Measure G passed in the November 2022 election, establishing a cannabis business and professions tax that is intended to take the place of the community benefit fee contained in development agreements. While the current development agreements will remain in place until their terms expire in 2024-2025, the proposed ordinance would remove the development agreement requirement for any new cannabis business that becomes licensed at a later date.

G. The only business that was subject to Section 6.55.840 (Existing permitted medical marijuana dispensaries), Tahoe Wellness Center, received a cannabis use permit in 2022 and is now

operating under the same regulatory framework as the other cannabis businesses such that this provision is no longer needed, and the proposed ordinance would delete it and other references to it.

H. Under Government Code section 65853, the Planning Commission is required to make a recommendation to City Council regarding amendments to the zoning and use regulations in Title 6 of the South Lake Tahoe City Code.

I. The Planning Commission has reviewed and considered the amendments to the Cannabis Ordinance and environmental analysis at a duly noticed public hearing.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the Planning Commission of the City of South Lake Tahoe:

1. Recommends that the City Council find that the 2030 General Plan EIR adequately addresses the potential environmental impacts of the proposed ordinance and that no further environmental analysis is required to comply with the California Environmental Quality Act (CEQA), and CEQA Guidelines section 15162 because the proposed ordinance is within the scope of the previous EIR and there are no substantial changes to the project or the circumstances that require major revisions to the previous EIR due to new significant environmental effects, new information of substantial importance that shows the project will have significant effects not discussed in the previous EIR, significant effects previously examined would be more severe, or mitigation measures or alternatives previously found not to be feasible would substantially reduce one or more significant effects.

2. Recommends that the City Council adopt Version 1 of the ordinance to amend Article X of Chapter 6.55 of the South Lake Tahoe City Code, attached hereto as Exhibit A.

Adopted by the City of South Lake Tahoe Planning Commission on October 26, 2023 by the following vote:

Yes: Feiger, Roberts, Howard
Absent: Wieczorek

Gavin Feiger, Vice Chair

Date: Oct 31, 2023

Attest:

Sue Blankenship (Oct 30, 2023 16:07 PDT)

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe Planning Commission.

6.55.700 Purpose and intent.
It is the purpose and intent of this article to regulate the cultivation, manufacturing, testing, and sales of medical and adult-use cannabis in order to ensure the health, safety, and welfare of the residents of the city of South Lake Tahoe. The regulations in this article are meant to ensure compliance with the state cannabis laws and are not intended to and do not interfere with a patient's right to use medical cannabis as authorized by the state cannabis laws. Nor do these regulations criminalize the possession or cultivation of cannabis for medical or nonmedical purposes as permitted by the state cannabis laws. Cannabis businesses within the city must comply with all provisions of the city code for obtaining permits for a cannabis business and must comply with the state cannabis laws and all other applicable local and state laws.

6.55.710 Definitions.
For the purposes of this article, the following words and phrases shall have the following meanings:

"Applicant" means any person who is required to file an application for a cannabis use permit ~~and development agreement~~ to operate a cannabis business under this article, including without limitation an individual owner, operator, or agent of a cannabis business.

"Cannabis" shall have the meaning set forth in Section 26001(ef) of the Business and Professions Code and as subsequently amended.

"Cannabis business" shall include:

a. Any business, facility, use, establishment, property, or location, whether fixed or mobile, where a commercial cannabis activity takes place.

b. Any building, facility, use, establishment, property, or location where any person or entity establishes, commences, engages in, conducts, or carries on, or permits another person or entity to establish, commence, engage in, conduct, or carry on, any activity that requires a state license under Business and Professions Code Section 26000 and following, including but not limited to cannabis cultivation, cannabis distribution, cannabis manufacture, cannabis testing and cannabis retail sales, and the operation of a cannabis microbusiness.

"Cannabis product" shall have the same meaning as in Section 11018.1 of the Health and Safety Code.

"Canopy" means all areas occupied by any portion of a cannabis plant, encompassing all vertical planes (i.e., stacking of plants), whether contiguous or noncontiguous on any one site. The canopy shall be measured by taking the longest length and widest width of existing plants (including all gaps, walkways, and open areas between plants) and multiplying the longest length by the longest width to get the area of the cannabis canopy. Each level of a stacked cultivation will be calculated as a separate canopy.

"Commercial cannabis activity" shall include the cultivation, possession, manufacturing, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products, or acting as a cannabis event organizer for temporary cannabis events.

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

"Cultivator" means any cannabis business engaged in cultivation activities, but specifically excluding cultivation in a private residence or accessory dwelling unit authorized pursuant to SLTCC 6.55.720.

"Day care center" shall have that meaning as set forth in Section 1596.76 of the Health and Safety Code.

"Delivery" means the commercial transfer of cannabis or cannabis products to a customer or patient. "Delivery" also includes the use by a retailer of any technology platform.

"Delivery operation" means a cannabis business that engages in or otherwise provides deliveries.

"Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

"Distributor" means any cannabis business engaged in distribution.

"Drug paraphernalia" shall have the meaning set forth in California Health and Safety Code Section 11014.5, and as subsequently amended.

"Edible cannabis product" means cannabis that is intended to be used, in whole or in part, for human consumption.

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

"Identification card" shall have the meaning set forth in California Health and Safety Code Section 11362.7~~12~~(g), and as may be amended from time to time.

"Manufacture" means to compound, blend, extract, infuse, package, label, or otherwise make or prepare a cannabis product.

"Manufacturer" means any cannabis business that conducts any activities involving the manufacture of a cannabis product.

~~"Medical marijuana dispensary" shall mean a cooperative or collective of four or more members associating at a particular location or real property to cooperatively distribute cannabis to members for medical purposes and that operates on a not-for-profit basis.~~

"Medicinal cannabis" or "medicinal cannabis product" shall have the meaning set forth in California Business and Professions Code Section 26001(~~ai~~al)(1), which includes cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician's recommendation.

"Microbusiness" means a cannabis business that engages in commercial cannabis activities of at least three of the following types of cannabis businesses: retailer, distributor, manufacturer, cultivator.

"Operator" shall mean any person responsible for management of the cannabis business; any person listed as an officer, director, manager, or member in the Statement of Information filed with the Secretary of State for a cannabis business; any person listed in a governing document for a cannabis business, such as bylaws, articles of incorporation, or operating agreement; any person owning an interest in the cannabis business, unless the interest is solely a security, lien, or encumbrance; and any person that supervises an employee of the cannabis business.

"Owner" shall have that meaning set forth in Section 26001(~~a~~map) of the Business and Professions Code and as it may be amended.

"Package" or "packaging" means any container or wrapper that may be used for enclosing or containing any cannabis or cannabis products. The term "package" does not include any shipping container or outer wrapping used solely for the transportation of cannabis or cannabis products in bulk quantity to another licensee or licensed premises.

"Park" shall mean any land, with public access, intended to provide recreation. For the purposes of this article, "park" also includes public beaches.

"Permittee" shall mean any person issued a cannabis use permit under this article.

"Physician" shall mean a licensed medical doctor, including a doctor of osteopathic medicine as defined in the California Business and Professions Code.

"Property" shall mean the designated structure or structures and land specified in the cannabis use permit application that is owned, leased or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted.

"Retailer" means any cannabis business that engages in the sale of cannabis or cannabis products to customers, including medical and adult-use cannabis or cannabis products.

"School" means any public or private school providing instruction in kindergarten or any of grades one to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

"State cannabis laws" means and includes California Health and Safety Code Sections 11362.1 through 11362.45; California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program); California Business and Professions Code Section 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)); all state laws enacted or amended pursuant to SB-94, Chapter 27, Statutes of 2017; the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section 147.5; California Revenue and Taxation Code Sections 34010 through 34021.5; California Fish and Game Code Section 12029; California Water Code Section 13276; all state regulations adopted by the Department of Cannabis Control; any license issued by the Department of Cannabis Control; and all other applicable laws of the state of California regulating cannabis or cannabis products.

"Testing laboratory" means a laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products and is licensed by the Department of Cannabis Control.

"Youth centers" shall mean any youth center, as defined in Section 11353.1(e)(2) of the Health and Safety Code, any playground, as defined in Section 11353.1(e)(1) of the Health and Safety Code, and any child day care facility, as that term is defined in Section 1596.750 of the Health and Safety Code.

6.55.720 Residential cultivation of cannabis.

A. No person or entity may cultivate cannabis in any residence in the city, except that a person may cultivate no more than six living cannabis plants inside his or her private residence or inside an accessory structure to his or her private residence located upon the grounds of that private residence that is fully enclosed and secured against unauthorized entry; provided, that the owner of the property provides written consent expressly allowing the cannabis cultivation to occur, there is no use of gas products (CO_2, butane, propane, natural gas, etc.) on the property for purposes of cannabis cultivation, and the cultivation complies with Health and Safety Code Section 11362.2(a)(3), as it may be amended.

B. Amortization of Existing Residential Cultivation Permits. All residential cultivation permits previously issued by the city are hereby deemed amortized and are null and void.

C. No Vested Rights. No person(s) shall have any vested rights to any permit, right or interest under this article, regardless of whether such person(s) cultivated cannabis prior to adoption of the ordinance codified in this article.

D. Public Nuisances. Cultivation shall not create a public nuisance and adversely affect the health or safety of persons residing in or near the residence where the cultivation occurs. A public nuisance may be deemed to exist if cultivation produces:

1. Odors which are disturbing to people of normal sensitivity residing or present on adjacent or nearby properties or areas open to the public;

2. More than three substantiated responses to valid confirmed complaints in a one-year time period to the residence from law enforcement officers;

3. More than three disruptions in a one-year time period to the free passage of persons or vehicles in the neighborhood;

4. Excessive noise which is disturbing to people of normal sensitivity on adjacent or nearby properties or areas open to the public in accordance with SLTCC 4.70.160;

5. Adverse effects to health or safety through creation of mold, mildew, dust, glare, heat, noise, noxious gases, odor, smoke, traffic, parking, vibration, or other impacts, or be hazardous because of the use or storage of materials, processes, products or wastes.

E. Environment. Runoff and waste disposal by the residence where cultivation occurs must be in compliance with any applicable city, county, regional, state, and federal laws and regulations. A violation of any applicable city, county, regional, state, or federal law will be deemed a violation of this article.

F. Cultivation of cannabis in residences shall be in conformance with the following requirements:

1. Cultivation shall only occur in fully enclosed and secure structures. All outdoor cultivation of cannabis is strictly prohibited.

2. Cultivation shall only occur in residences which are in full compliance with the city code, including the building code and fire code.

3. No cooking, baking, or alteration as to form and substance of cannabis for commercial purposes, and/or sale, is permitted in a residence which cultivates cannabis.

4. From a public right-of-way, there shall be no exterior evidence of cannabis cultivation occurring at the residence.

6.55.730 Cannabis businesses – Use permit ~~, development agreement,~~ and public safety license required.
It shall be unlawful for any person to engage in, to conduct or carry on (or to permit to be engaged in, conducted or carried on) in or upon property located within the city, the operation of a cannabis business unless that person has first obtained and continues to maintain in full force and effect: a valid cannabis use permit issued by the city for that property~~, a development agreement with the city for use of the property as a cannabis business,~~ and a valid cannabis public safety license issued by the city to the owner and/or operator of the cannabis business, pursuant to Chapter 4.180 SLTCC.

6.55.740 Cannabis businesses – General provisions.
A. Cannabis Businesses Allowed.

1. Only those types of cannabis businesses set forth in this section shall be allowed within the city:

a. Retailers.

b. Microbusinesses.

c. Testing labs.

d. Cultivators.

e. Manufacturers.

f. Distributors.

g. Delivery operations.

~~h. Existing permitted medical marijuana dispensaries, subject to SLTCC 6.55.840.~~

Any and all cannabis businesses, activities, nonprofits, associations, enterprises, collectives, cooperatives or dispensaries not expressly described herein are expressly prohibited. Temporary cannabis events are prohibited within the city.

2. No more than one cannabis business may exist in the same suite or unit on a lot or parcel of property.

3. An owner and/or operator of a cannabis business may not own or operate more than one retail cannabis business, including a microbusiness with a retailer component, within the city.

4. No more than four retailers are permitted in the city, including microbusinesses with a retailer component. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers within the city that originate from retailers outside the city's jurisdictional limits are not subject to this limitation.

5. No more than two microbusinesses are permitted in the city, unless after the application period referenced in SLTCC 6.55.750(C) there are open permits for retailers, cultivators, manufacturers, or distributors, in which case the city council may adopt a resolution to reopen the application period to allow additional microbusinesses combining the open permit types.

6. No more than two cultivators are permitted in the city.

7. No more than four manufacturers are permitted in the city.

8. Distributors are permitted in the city only as part of a microbusiness, unless one or more of the permitted microbusinesses do not include a distributor component, in which case a distributor shall be permitted for each microbusiness without a distributor component.

~~9. Medical marijuana dispensaries operating under SLTCC 6.55.840 shall not be considered in determining the number of retailers, microbusinesses, manufacturers, distributors, or cultivators allowed under subsections (A)(4) through (A)(8) of this section. The maximum number of cannabis businesses permitted under the numerical limitations set forth in subsections (A)(4) through (A)(8) of this section are in addition to any medical marijuana dispensaries operating under SLTCC 6.55.840.~~

B. Limitations on Location.

1. Permissible Zoning. Subject to limitations described in this article and other parts of SLTCC Title 6, and applicable regulations of the Tahoe Regional Planning Agency, cannabis businesses may operate only in a location where such land use will be consistent with the land uses authorized under the applicable area plan, plan area statement, and/or community plan for such location. Table 6.55.740 sets forth the applicable permissible use categories for each type of cannabis business.

Table 6.55.740

City Cannabis Business Type	TRPA Permissible Use Categories
a. Retailers (including delivery operations)	"food and beverage retail sales" and "general merchandise stores"
b. Microbusinesses	
i. Retailer	See a.
ii. Distributor	See f.
iii. Manufacturer	See e.
iv. Cultivator	See d.
c. Testing labs	"industrial services"
d. Cultivators	"industrial services"
e. Manufacturers	"food and kindred products" and "small scale manufacturing"*
f. Distributors	"wholesale and distribution"

* The applicable TRPA permissible use category for a manufacturer will depend on the type of cannabis product being manufactured.

2. Areas and Zones Where Cannabis Businesses Are Not Permitted.

a. Notwithstanding subsection (B)(1) of this section, a cannabis business may not operate on a parcel or lot located within 1,000 feet of a school, or 600 feet of a youth center, or 600 feet of a day care center, or 150 feet of any park, any religious institution, any residential or outpatient drug or alcohol treatment facility licensed by the State Department of Health Care Services, or hospital, that is in existence at the time the cannabis use permit is issued.

Distances under this subsection shall be calculated as a straight line from any parcel line of the property on which the cannabis business is located to the parcel line of the real property on which the facility, building, or structure, or portion of the facility, building or structure, in which the listed use occurs or is located. Locational restrictions shall apply to an entire parcel if any portion of the parcel is located within the applicable buffer distance.

b. Cannabis businesses may not operate on a parcel or lot located within a residential designated land use area, as depicted in the city's general plan.

C. Transfer of Cannabis Use Permits.

1. Permit – Site Specific. A permittee shall not operate a cannabis business under the authority of a cannabis use permit at any place other than the parcel and specified address of the cannabis business stated in the application for the permit. All permits issued by the city pursuant to this article shall be nontransferable to a different location.

2. Transfer of a Permitted Cannabis Business. A permittee shall not transfer ownership or control of a cannabis business or attempt to transfer a cannabis use permit to another person unless and until the transferee obtains an amendment to the cannabis use permit from the planning commission to the permitting requirements of this article stating that the transferee is now the permittee. Such an amendment may be obtained only if the transferee files an application with the development services department in accordance with all provisions of this article accompanied by the required transfer review application deposit.

3. Request for Transfer with a Revocation or Suspension Pending. No cannabis use permit may be transferred (and no permission for a transfer may be issued) when the development services department has notified the permittee in writing that the permit has been or may be suspended or revoked for noncompliance with this chapter and a notice of such suspension or revocation has been provided.

4. Transfer without Permission. Any attempt to transfer a cannabis use permit either directly or indirectly in violation of this chapter is declared void, and the permit shall be deemed revoked.

6.55.750 Cannabis use permit application requirements.

A. Cannabis Public Safety License. Applicants seeking a cannabis use permit ~~and development agreement~~ to operate a cannabis business within the city shall first submit an application for a cannabis public safety license. Upon the chief of police's, or ~~his/her~~their designee's, approval of the application for a cannabis public safety license, the applicant may submit an application for a cannabis use permit ~~and development agreement~~ to operate a cannabis business.

B. Except as set forth in this article, applications for cannabis use permits shall be processed consistent with Article VII (Use Permits and Variances). The city manager, or ~~his/her~~their designee, may recommend, and the city council may establish by resolution, any necessary procedures and application requirements.

C. Use Permits for Retailers, Cultivators, Manufacturers, Distributors, and Microbusinesses. Because only a limited number of retailers, cultivators, manufacturers, distributors, and microbusinesses are permitted, an application period for these businesses shall be established that allows ~~the city to select the best applicants for negotiation of a development agreement. Such~~ applicants ~~shall~~ to be placed on a qualified applicant list. The process and selection criteria for selection of the best applicants to be placed on the qualified applicant list shall be established by resolution of the city council.

D. Applications shall include a requirement that applicants demonstrate owner consent to operate a cannabis business on the property. Applications for cannabis retailers shall also include a statement as to whether the use will include delivery of cannabis and cannabis products to locations outside the retailer's property. If delivery services will be provided, the application shall describe the operational plan and specific extent of such service, security protocols, and how the delivery services will comply with the requirements set forth in this article and state law.

E. Site Plan. Applicants shall submit a site plan that shall include a floor plan, and a scaled premises diagram showing the boundaries of the cannabis business and property with all boundaries, dimensions, entrances and exits, interior partitions and walls, with labeling of each room, windows and common shared entryways. If the proposed cannabis business consists of only a portion of the property, the diagram shall be labeled indicating which part of the property is the proposed cannabis business and what the remaining property is used for.

F. Cost Recovery. Every application for a cannabis use permit shall be accompanied by a deposit (in an amount established by resolution of the city council) and the applicant shall replenish such deposit at the request of the city to allow for recovery of the city's full cost of reviewing and issuing said permit ~~and preparing and considering a development agreement~~.

6.55.760 Review, issuance, and/or denial of cannabis use permit applications.

A. Criteria for Issuance. In addition to the required findings for issuance of a special use permit in SLTCC 6.55.620(B), the planning commission, or the city council on appeal, shall make all of the following findings in determining whether to grant, modify, or deny a cannabis use permit for any cannabis business:

1. If the cannabis business is a microbusiness, retailer, manufacturer, distributor, or cultivator, the applicant is on the qualified applicant list established and maintained by the city.

2. The cannabis use permit application is complete and the applicant has submitted all information and materials required.

3. The proposed location of the cannabis business will comply with the buffer requirements in SLTCC 6.55.740(B) and is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proximity of the proposed cannabis business to a school, youth center, park, church, state licensed drug or alcohol treatment facility, or hospital.

4. The proposed location of the cannabis business is not likely to have a potentially adverse effect on the health, peace, or safety of persons due to the proposed cannabis business's proximity to another existing or permitted cannabis business, and no significant nuisance issues or problems are likely or anticipated.

5. The design of the cannabis business is compatible with the city's design guidelines.

6. The property is located on a property which is consistent with all development standards of this title.

7. The location is not prohibited under the provisions of this title or any local or state law, statute, rule, or regulation.

8. The cannabis business will not violate any provision of the SLTCC or condition imposed by a city-issued permit, or any provision of any other local or state law, regulation, or order, or any condition imposed by permits issued in compliance with those laws.

9. The site plan for the cannabis business has incorporated features necessary to assist in reducing potential nuisance and crime-related problems. These features may include, but are not limited to, procedures for allowing entry; reduction of opportunities for congregating and obstructing public ways and neighboring property; and limiting furnishings and features that encourage loitering and nuisance behavior.

B. Supplemental Findings – Cannabis Testing Laboratory. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a testing lab:

1. The owners, permittees, operators, and employees of the testing lab will not be associated with any other form of commercial cannabis activity.

2. The testing lab meets the accreditation requirements set forth in Business and Professions Code Section 26100(h) and any applicable regulations enacted by the Department of Cannabis Control.

3. The testing lab operating plan demonstrates proper protocols and procedures for statistically valid sampling methods and accurate certification of cannabis and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.

C. Supplemental Findings – Cultivators. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a cultivator:

1. The cultivation of cannabis for commercial purposes shall only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis will be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides.

4. The applicant for cultivation for cultivation of cannabis with a total canopy size greater than 5,000 square feet per property has submitted documentation that electrical power used for commercial cannabis activity meets the average electricity greenhouse gas emissions intensity required by the local utility provider pursuant to the California Renewables Portfolio Standard Program, and has submitted an energy efficiency plan showing measures being taken to minimize energy consumption in lighting, HVAC, and dehumidifying equipment.

D. Supplemental Findings – Manufacturers. In addition to the findings required for the approval of a cannabis use permit as set forth in subsection (A) of this section, the planning commission, or the city council on appeal, shall consider the following supplemental findings in determining whether to grant, modify, or deny a cannabis use permit for a manufacturer:

1. The manufacturer shall be limited to 2,500 square feet of fully enclosed space.

2. The manufacturer shall not undertake any volatile extraction activities, and shall only conduct the operations authorized under the "Type 6," "Type N," or "Type P" license categories, as defined in the Department of Cannabis Control regulations, Title 4 of the California Code of Regulations, Section 17006, as may be amended.

E. Criteria for Denial. The planning commission shall deny an application that meets any one of the following criteria:

1. Any supervisor, employee, or person having a 10 percent or more financial interest in the cannabis business has been convicted of a felony or a drug-related misdemeanor reclassified by Section 1170.18 of the California Penal Code (Proposition 47) within the past 10 years. A conviction within the meaning of this subsection means a plea or verdict of guilty or a conviction following a plea of nolo contendere;

2. Any person who is listed on the application or is an owner or operator, is a licensed physician making patient recommendations for medical cannabis pursuant to Section 11362.7 of the Health and Safety Code;

3. Any person who is listed on the application or is an owner or operator is less than 21 years of age;

4. The proposed cannabis business does not comply with the provisions of this article or state cannabis laws; and

5. The planning commission is unable to make a required finding contained in this section.

F. Planning Commission Determination. If the planning commission, by a majority vote of a quorum of commissioners, denies the application, the planning commission shall specify in writing the reasons for the denial of the application, and notify the applicant that the decision shall become final unless the applicant seeks an appeal pursuant to Chapter 2.35 SLTCC.

~~G. Use Permit and License Issuance. No cannabis use permit shall be issued by the city until a development agreement is approved for the operation of the cannabis business. Within 10 days after the city council's approval of a development agreement for the operation of a cannabis business, the chief of police shall issue all permittees a cannabis public safety license, and the development services department shall issue a cannabis use permit, provided that the planning commission has made all findings required under this section.~~

~~H~~G. Indemnification. Cannabis use permits shall contain a condition requiring the dispensary, through its management members, to execute an agreement in a form approved by the city attorney whereby the cannabis business (1) releases the city, and its agents, officers, elected officials, and employees from any injuries, damages, or liabilities of any kind that result from any arrest or prosecution of the cannabis business or its management members, employees, or members for violation of state or federal laws, (2) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by any party arising out of the city's decision to permit the operation of the cannabis business, and (3) defends, indemnifies and holds harmless the city and its agents, officers, elected officials, and employees for any claims, damages, or injuries of any kind brought by adjacent or nearby property owners or other third parties due to the operations at the cannabis business.

6.55.770 Appeal from planning commission determination.

An applicant or any interested party who disagrees with the planning commission's decision to issue, issue with conditions, or to deny or revoke a cannabis use permit may appeal the planning commission's decision to the city council in accordance with the appeal provisions of Chapter 2.35 SLTCC.

6.55.780 Suspension and revocation by planning commission.

A. Authority to Suspend or Revoke a Cannabis Use Permit. Any permit issued under the terms of this article may be suspended or revoked by the planning commission.

B. A cannabis use permit may be revoked if it appears to the planning commission that the cannabis business has violated any of the requirements of this article or the security plan required pursuant to Chapter 4.180 SLTCC, or the cannabis business is being operated in a manner which constitutes a nuisance, or the cannabis business has ceased to operate for 30 days or more, or the owner or operator of the cannabis business fails to maintain a valid and current public safety license, ~~or the cannabis business has not entered into and/or complied with the terms of a valid development agreement,~~ or the cannabis business is being operated in a manner which conflicts with or violates state cannabis laws.

C. Any cannabis use permit revoked pursuant to this section shall be deemed to be expired and shall no longer entitle the permittee to any uses authorized by the cannabis use permit.

D. Revocation, expiration or nullification of a cannabis public safety license pursuant to SLTCC 4.180.060 and 4.180.070~~, or expiration of a development agreement to operate the cannabis business,~~ shall automatically terminate the cannabis use permit issued to the licensee and shall terminate the ability of the licensee to operate a cannabis business without initiation of revocation proceedings by the planning commission.

E. Annual Review of Cannabis Businesses. The development services department is hereby authorized to conduct an annual review of the operation of each permitted cannabis business within the city for full compliance with the operational, record-keeping, nuisance and other requirements of this article, in coordination with any other departments of the city. Each cannabis business shall pay a fee in an amount established by resolution of the city council which shall be collected in order to reimburse the city for the time involved in the annual review process~~, unless such fee is set forth in a development agreement approved by the city council for such cannabis business~~. The staff may initiate a permit suspension or revocation process for any cannabis business which, upon completion of an annual review, is found not to be in compliance with the requirements of this chapter or which is operating in a manner which constitutes a public nuisance. Staff may, based upon its annual review of the operation of a cannabis business, place on a planning commission meeting agenda, a proposal to suspend or revoke a cannabis use permit.

~~6.55.790 Development agreement.~~

~~A. Prior to operating in the city and as a condition of issuance of a cannabis use permit, each cannabis business shall enter into a development agreement pursuant to Government Code Section 65864 et seq. with the city setting forth the terms and conditions under which the cannabis business will operate that are in addition to the requirements of this article, including, but not limited to, public outreach and education, community service, payment of fees and other charges as set forth in subsection (C) of this section, and such other terms and conditions that will protect and promote the public health, safety, and welfare. Further procedures and minimum standards for a development agreement may be enacted by resolution of the city council.~~

~~B. The planning commission shall make a recommendation to the city council on whether to approve a development agreement submitted to it by city staff. The city council shall make a final decision on whether to approve a development agreement recommended to the city council by the planning commission.~~

~~C. Development agreements shall include a provision requiring the payment of a public safety impact mitigation fee based on a pro-rata share of projected annual enforcement costs for cannabis businesses within the city. Additionally, applicants may provide for a community public benefit, in an amount not to exceed six percent of gross receipts received.~~

~~D. If the voters of the city of South Lake Tahoe pass a measure approving any tax on any cannabis businesses, any development agreements entered into pursuant to this section shall expire upon the expiration of the term set forth in such development agreement, and shall not be renewed. All cannabis businesses operating pursuant to a development agreement shall be subject to any applicable taxes approved by the voters.~~

6.55.800 Cannabis businesses – Conditions of operation.

A. All Cannabis Businesses. All cannabis businesses shall be operated, maintained, and managed on a day-to-day basis in compliance with the following operational conditions and requirements:

1. State Licensing and Compliance with State Cannabis Laws. The city recognizes that state law requires dual licensing at the state and local level for all cannabis businesses. All operators shall therefore be required to diligently pursue and obtain a state cannabis license at such time as the state begins issuing such licenses, and shall comply at all times with all applicable state cannabis laws.

2. Cannabis Public Safety License. A cannabis business shall maintain a cannabis public safety license at all times. The failure to maintain a cannabis public safety license, revocation of a cannabis public safety license, or lapse in renewal of a cannabis public safety license shall be the basis for immediate termination of the right to operate a cannabis business under a cannabis use permit.

~~3. A cannabis business shall have entered into a development agreement with the city and shall comply with the terms of the development agreement at all times during operations of the cannabis business.~~

4~~3~~. Employees. It shall be unlawful for the applicant, owner, operator, or any other person effectively in charge of any cannabis business to employ any person who is not at least 21 years of age.

5~~4~~. Minors. Persons under the age of 21 years shall not be allowed on the premises of a cannabis business unless they are a qualified patient. The entrance to each cannabis business shall have, clearly and legibly posted, a notice indicating that persons under the age of 18 are prohibited from entering the premises unless they are a qualified patient and they are in the presence of their parent or guardian.

6~~5~~. Every cannabis business shall display, at all times during its regular business hours, the cannabis use permit and cannabis public safety license issued for such cannabis business in a conspicuous place so that the same may be readily seen by all persons entering the cannabis business.

7~~6~~. No cannabis business shall hold or maintain a license from the State Department of Alcoholic Beverage Control for the sale of alcoholic beverages, or operate a business on the premises of the cannabis business that sells alcoholic beverages, or otherwise allow alcoholic beverages to be possessed, distributed, or consumed on the premises.

~~8~~7. No cannabis business shall be a retailer of tobacco products.

~~9~~8. Operation of a cannabis business shall not result in illegal redistribution or sale of cannabis obtained, or the use or distribution in any manner which violates state cannabis laws or this article.

~~10~~9. Odors. All cannabis businesses shall be sited and/or operated in a manner that prevents cannabis odors from being detected off site. All structures utilized for indoor cannabis cultivation shall be equipped and/or maintained with sufficient ventilation controls (e.g., carbon scrubbers) to eliminate nuisance odor emissions from being detected off site.

~~11~~10. Security. The cannabis business shall at all times comply with all elements of its security plan, submitted as a part of its cannabis public safety license application pursuant to Chapter 4.180 SLTCC.

~~12~~11. Signage and Advertising. The cannabis business shall comply with all applicable provisions of Chapter 6.40 SLTCC and any applicable Tahoe Regional Planning Agency regulations. All advertising shall comply with Business and Professions Code Section 26151.

~~13~~12. On-Site Consumption. On-site consumption ~~shall be prohibited~~ is allowed at permitted retailers and microbusinesses with a retailer component upon approval of an amended public safety license under SLTCC 4.180.050 and, if the addition of on-site consumption increases the floor area used for retail, approval of an amended cannabis use permit under SLTCC 6.55.800(B)(2).

~~14~~13. Additional Conditions. The planning commission may impose additional conditions which it deems necessary to ensure that operation of the cannabis business will be in accordance with the standards and regulations provided in this title, the standards set forth by separate resolution of the city council, and applicable state laws.

B. Supplemental Conditions – Retailers. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis retailer shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Retailers may not sell drug paraphernalia and implements that may be used to ingest or consume cannabis except where such sales and operations comply with Health and Safety Code Section 11364.5.

2. Retailers shall not be enlarged in size (i.e., increased floor area) without the planning commission's prior review and approval and an approved amendment to the existing cannabis use permit applied for and issued pursuant to the requirements of this article.

3. Retailers shall only sell, deliver, or give away medical cannabis to individuals authorized to receive medical cannabis in accordance with state cannabis laws. Retailers of medical cannabis shall require such persons receiving medical cannabis to provide valid official identification, such as a Department of Motor Vehicles driver's license or State Identification Card, each time he or she seeks to purchase medical cannabis.

4. Hours of Operation. Retailers may only operate during the hours between 6:00 a.m. through 10:00 p.m., except that authorized on-site consumption areas may operate until 2:00 a.m. with no cannabis sales after 10:00 p.m. The planning commission may further restrict a retailer's days and hours of operation as a condition of a cannabis use permit. A retailer shall post its approved days and hours of operation on a sign located on the street frontage of the cannabis business in a manner consistent with the city's sign regulations. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers are not subject to these limited hours of operation.

5. Retailers shall not have a physician on-site to evaluate patients and/or provide recommendations for the use of medical cannabis.

6. State Seller's Permit. Retailers shall, at all times during operation, maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code.

7. Retailers shall make available lock bags on site for purchase or shall provide information on how to obtain a lock bag.

8. Cannabis and cannabis products shall only be sold as pre-packaged consumer products, and each type of product shall be pre-packaged in a uniform amount per package. Cannabis and cannabis products shall be pre-packaged for general sale and not at the request of any specific customer.

C. Supplemental Conditions – Cultivators. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis cultivation operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Outdoor commercial cultivation prohibited. The cultivation of cannabis for commercial purposes may only be cultivated within a fully enclosed space.

2. The cultivation of cannabis for commercial purposes shall be limited to 22,000 square feet of total canopy size per property.

3. The cultivation of cannabis must be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides. Any fumigation or insecticidal fogging shall comply with the California Fire Code Chapter 26 (Fumigation and Insecticidal Fogging).

4. Screening. Cannabis plants shall not be visible from any location beyond the property.

5. Cultivators shall maintain either the "Type 1A" (specialty indoor), "Type 1B" (specialty mixed-light), "Type 1C" (specialty cottage), "Type 2A" (small indoor), "Type 2B" (small mixed-light), "Type 3A" (indoor), "Type 3B" (mixed-light) or "Type 4" (nursery) licenses as defined in Business and Professions Code Section 26061, and issued by the Department of Cannabis Control, at all times of operation.

6. Cultivators may not engage in retail sales at the same property as cultivation.

D. Supplemental Conditions – Delivery Operations. In addition to each of the conditions of operation set forth in subsection (A) of this section, a cannabis delivery operation shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Delivery operations shall only be operated by a permitted cannabis retailer that has a physical location and a retail storefront in the city open to the public. A cannabis retailer shall not conduct sales exclusively by delivery. Delivery operations of medicinal cannabis to medicinal cannabis patients or their primary caregivers within the city that originate from retailers outside the city's jurisdictional limits are not subject to this limitation, but any such delivery operation is required to obtain a public safety license under Chapter 4.180 SLTCC.

2. Vehicles used for deliveries shall have a GPS tracker, and records shall be maintained regarding the location of all deliveries. No more than maximum of $3,000 in cash, or equivalent value of cannabis or cannabis products, may be carried at any time.

E. Supplemental Conditions – Microbusinesses. In addition to each of the conditions of operation set forth in subsection (A) of this section, each microbusiness shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Except as modified by this subsection (E), each microbusiness with a retail component shall comply with all conditions of operation set forth in subsection (B) of this section, each microbusiness with a cultivator component shall comply with all conditions of operation set forth in subsection (C) of this section, each microbusiness with a manufacturer component shall comply with all conditions of operation set forth in subsection (F) of this section, and each microbusiness with a distributor component shall comply with all conditions of operation set forth in subsection (G) of this section.

2. Microbusinesses undertaking manufacturing activity shall utilize only extraction processes that employ nonvolatile solvents for the purposes of extracting cannabinoids and processes that are recognized as safe

pursuant to the Federal Food, Drug, and Cosmetic Act. Microbusinesses undertaking manufacturing activity shall maintain a license of the "Type 6," "Type N," or "Type P" license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

3. The cultivation of cannabis for commercial purposes by microbusinesses shall be limited to 10,000 square feet of total canopy size per property.

4. A microbusiness with a retail component may engage in retail sales on the same property as a cultivation component, but shall limit access to the public to only the retail component of the microbusiness.

F. Supplemental Conditions – Manufacturers. In addition to each of the conditions of operation set forth in subsection (A) of this section, manufacturers shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. Manufacturers shall not engage in on-site retail sales of cannabis or cannabis products.

2. Manufacturers shall utilize only extraction processes that employ nonvolatile solvents and are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act.

3. Standard of Equipment. Manufacturing, processing, and analytical testing devices used by manufacturers must be UL (Underwriters Laboratories) listed or otherwise certified by an approved third party testing agency or engineer and approved for the intended use by the city's building official and fire code official.

4. Food Handler Certification. All owners, employees, volunteers, or other individuals that participate in the production of edible cannabis products shall be state-certified food handlers. The valid certificate number of each such owner, employee, volunteer, or other individual must be on record at the property where the individual participates in the production of edible cannabis products.

5. Edible Cannabis Product Manufacturing. Manufacturers that sell or manufacture edible cannabis products shall obtain a county health permit to sell and/or manufacture edible cannabis products. Permit holders shall comply with county health permit requirements.

6. The manufacturer shall maintain a manufacturer license of "Type 6," "Type N," or "Type P" license categories, as defined in Title 4 of the California Code of Regulations, Section 17006, as may be amended.

G. Supplemental Conditions – Distributors. In addition to each of the conditions of operation set forth in subsection (A) of this section, distributors shall be operated, maintained, and managed in compliance with the following supplemental conditions:

1. No distributor may distribute cannabis from an unlicensed cannabis cultivator or manufacturer. Distributors may only distribute cannabis products between other licensed businesses within the state of California.

2. Distributors may not sell cannabis products directly to consumers, and cannabis distribution facilities shall be fully enclosed and inaccessible to the general public.

H. Maintenance, Access to, and Inspection of Records.

1. Every cannabis business shall maintain on-site, at the property designated for the operation of the cannabis business, all records of the cannabis business.

2. Financial Records. The cannabis business shall maintain a written accounting record or ledger of all cash, receipts, credit card transactions, reimbursements, (including any in-kind contributions), and any and all reasonable compensation for services provided by the cannabis business, as well as records of all operational expenditures and costs incurred by the cannabis business in accordance with generally accepted accounting practices and standards typically applicable to business records.

3. Record Retention Period. The records required in this subsection shall be maintained by the cannabis business for a period of five years and shall be made available to the city within 24 hours of written request.

4. A duly designated city police department or finance department representative may enter and shall be allowed to inspect the premises of every cannabis business as well as the financial and membership records of the cannabis business required by this article at any time during the cannabis business's designated business hours, or at any appropriate time to ensure compliance and enforcement of the provisions of this article. Such representative may also require the cannabis business to also provide access to such financial records electronically. It shall be unlawful for any owner, operator, or any other person having any responsibility over the operation of the cannabis business to refuse to allow, impede, obstruct or interfere with an inspection of the cannabis business or the required records thereof.

6.55.810 Business license tax liability.

An operator of a cannabis business shall be required to apply for and obtain a business and professions tax certificate pursuant to Chapter 3.35 SLTCC as a prerequisite to obtaining a cannabis use permit or operating within the city pursuant to the terms of this article. The cannabis businesses shall be subject to sales tax and other applicable taxes in a manner required by state law.

6.55.820 No vested rights.

No person(s) shall have any vested rights to any permit, right or interest under this chapter, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this article.

6.55.830 Public nuisance.

Any use or condition caused or permitted to exist in violation of any provision of this article shall be and hereby is declared a public nuisance and may be subject to administrative citations as set forth in Chapter 2.30 SLTCC, summarily abated by the city pursuant to Chapter 4.40 SLTCC and/or Code of Civil Procedure, Section 731, or subject to any other remedy available to the city.

~~**6.55.840 Existing permitted medical marijuana dispensaries.**~~

~~A. Any medical marijuana dispensary operating pursuant to (1) a valid South Lake Tahoe dispensary permit (which permit was issued pursuant to South Lake Tahoe Ordinance No. 1032) as of the effective date of the ordinance codified in this article, or (2) a valid court order authorizing the continued operation of a medical marijuana dispensary pursuant to Ordinance No. 1032, shall be permitted to continue operation subject to compliance with all requirements set forth in Ordinance No. 1032 for a period of three years from the effective date of the ordinance codified in this article to seek permits and licenses required under the city code. During this three-year period, any existing medical marijuana dispensary may temporarily expand its land use to include adult use upon obtaining all required state licensing for such adult use and a cannabis public safety license from the city, and may provide a community public benefit in an amount not to exceed six percent of gross receipts received. At the end of the three-year period, any existing medical marijuana dispensary shall be subject to all city regulations, permit, and license requirements applicable at that time and shall be required to have obtained all applicable permits and licenses prior to continuing operation. The city manager may renew any dispensary permit previously issued pursuant to Ordinance No. 1032 during the three-year period, provided that the requirements for renewal set forth in Ordinance No. 1032 are satisfied, and may modify, deny, suspend or revoke any dispensary permit previously issued in accordance with the requirements for such action by the city manager set forth in Ordinance No. 1032.~~

~~B. Except as set forth herein, nothing in this section shall authorize a physical or operational expansion of any existing permitted medical marijuana dispensary beyond the locations, physical sizes, or uses specifically articulated and allowed under South Lake Tahoe Ordinance No. 1032.~~

~~C. This section shall not create any vested rights to any permit, right or interest under Ordinance No. 1032, regardless of whether such person(s) cultivated, sold, distributed or otherwise engaged in acts related to the use of cannabis prior to adoption of the ordinance codified in this article or Ordinance No. 1032.~~

Resolution 2023-015_Unsigned

Final Audit Report 2023-10-31

Created:	2023-10-30
By:	Yvette Miranda (ymiranda@cityofslt.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAA_qf8PZRu-a9Kx-TzoKU9cAlr_e0lb2G5

"Resolution 2023-015_Unsigned" History

Document created by Yvette Miranda (ymiranda@cityofslt.us)
2023-10-30 - 11:03:54 PM GMT

Document emailed to Sue Blankenship (sblankenship@cityofslt.us) for signature
2023-10-30 - 11:04:31 PM GMT

Email viewed by Sue Blankenship (sblankenship@cityofslt.us)
2023-10-30 - 11:05:08 PM GMT

Document e-signed by Sue Blankenship (sblankenship@cityofslt.us)
Signature Date: 2023-10-30 - 11:07:34 PM GMT - Time Source: server

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2023-10-30 - 11:07:35 PM GMT

Email viewed by gfeiger@cityofslt.us
2023-10-30 - 11:07:56 PM GMT

Signer gfeiger@cityofslt.us entered name at signing as Gavin Feiger
2023-10-31 - 4:05:01 PM GMT

Document e-signed by Gavin Feiger (gfeiger@cityofslt.us)
Signature Date: 2023-10-31 - 4:05:03 PM GMT - Time Source: server

Agreement completed.
2023-10-31 - 4:05:03 PM GMT

Adobe Acrobat Sign

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 15

Agenda Item: City Council Assignments to Boards and Commissions

Executive Summary: In accordance with past practice, each year City Council discusses and selects a member(s) to serve on various boards, commissions, and subcommittees for the following year. In addition to member assignments, City Council may appoint a community representative to the El Dorado County Commission on Aging (one-year term, no applications received), and the El Dorado County Community Action Council (one-year term, one application received, incumbant). The TRPA Advisory Planning Commission also has a City Council Representative which is not up for appointment until December 2024.

Requested Action / Suggested Motions: 1) Pass a Motion appointing a citizen representative to the El Dorado County Community Action Council or direct the City Clerk to continue to solicit applications; 2) for the El Dorado County Commission on Aging, City Council may either fill the position with a member of the City Council, or direct the City Clerk to continue to solicit applications; and, 3) Pass a Motion approving City Council assignments to boards and commissions.

Responsible Staff Member: Susan Blankenship, City Clerk

Reviewed and Approved By: Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

01-Staff Report-Assignments to Commissions and Boards.docx
02-2023 City Council Assignments.pdf
03-Notice of Solicitation - City Council Representative.pdf

City of South Lake Tahoe
Report to City Council

Meeting Date: December 12, 2023

Title: 2024 City Council Assignments to Commissions and Boards

Location: Citywide

Responsible Staff Member: Susan Blankenship, City Clerk, (530) 542-6005

Background: In accordance with past practice, each year City Council discusses and selects members to serve on various boards, commissions, and subcommittees for the following year. At this time, Council also establishes or eliminates subcommittees as needed.

In addition to member assignments, City Council may appoint a community representative to the El Dorado County Commission on Aging (one-year term), and the El Dorado County Community Action Council (one-year term). The TRPA Advisory Planning Commission also has a City Council Representative which is not up for appointment until December 2024.

I**ssue and Discussion:** City Council will hold a discussion and approve assignments to Commissions and Boards.

A solicitation was noticed, and applications were received from the following persons:

El Dorado County Community Action Council: Chelcee Thomas (incumbent)

El Dorado County Commission on Aging: no applications were received.

City Council may appoint a representative to the El Dorado County Community Action Council or direct the City Clerk to continue to solicit applications. No applications were received for the El Dorado County Commission on Aging. City Council may either fill the position from members of the City Council, or direct the City Clerk to continue solicitation for this position.

Financial Implications: There are no financial obligations associated with this action.

Environmental Considerations: The selection of assignments to City Council commissions and Boards is not a project requiring environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(5) (organizational or administrative activities that will not result in direct or indirect physical changes to the environment).

Policy Implications: The discussion and selection of City Council Assignments to Commissions and Boards conforms to City Council Protocols.

2023 City Council Assignments

Set forth by statute:

Board	Contact/ Phone	Mtg. Schedule/ Place	Requirement	2023 Assignment
California Tahoe Conservancy	Mike Steeves (530) 543-6023 michael.steeves@tahoe.ca.gov	4-6 Meetings per year; third Thursday every other month; Alternate South Shore and North Shore	Voting Board Member G.C. Sec. 66906.1	Wallace Alt: Robbins Staff Support: HR ZT
City Selection Committee	EDC Board of Supervisors Kim Dawson (530) 621-5393 edc.cob@edcgov.us	As needed Placerville/TBA	Mayor G.C. 50270	Creegan Staff Support: JI
El Dorado County LAFCO	Erica Sanchez (530) 295-2707 esanchez@edlafco.us Shiva Frentzen (530) 295-2707 sfrentzen@edlafco.us	Fourth Wednesday every month; 5:30 p.m. Placerville Apr-Oct CC Rep participate via conference call from Council Chambers for months of Nov – Mar	Appointment by City Selection Committee Appointee (Mayor) G.C. 56325-56337 2-year term	Wallace Staff Support: JI HS
El Dorado Countywide Oversight Board	Susan Blankenship, City Clerk sblankenship@cityofslt.us (530) 542-6005	As needed, general once a year in January or February	Appointed by the City Selection Committee G.C. 50270 HSC 34179(j)	Wallace Staff Support: OT
Tahoe Regional Planning Agency Governing Board ---------- Advisory Planning Comm	Marja Ambler (775) 588-4547 x 287 mambler@trpa.gov	GB Meetings meet fourth Wednesday every month; all day Alternate South Shore and North Shore	Voting Board Member G.C. 66800-66801 Term expires 12/2024	Friedrich Alt: Bass Staff Support: HR ZT Susan Chandler
Tahoe Transportation District	Judi Allen (775) 589-5502 jallen@tahoetransportation.org	Second Friday every month; Alternate South Shore and North Shore	Voting Board Member +Alternate G.C. 66800-66801	Bass Alt: Friedrich Staff Support: HR JI

2023 City Council Assignments

Set Forth by Agreement/Joint Powers Agreement/Resolution/Bylaws and/or Past Practice:

Board	Contact/ Phone	Mtg. Schedule/ Place	Requirement	2023 Assignment
JPA - Abandoned Vehicle Abatement-	(530) 542-6135 (PD-Code Enforcement) Myriam Reyes-Cocoletzi 530-542-6136 mcocoletzi@Cityofslt.us	Required to Hold an Annual Meeting Time/Place TBA	Voting Board Member Must be Elected Councilmember Agmt C-68-91	Robbins Staff Support: DS
JPA - Cal Tahoe (California Tahoe Emergency Services Operations Authority)	Ryan Wagoner, Executive Director ryancaljpa@gmail.com Kayla Galvan, Office Administrator kgalinskictjpa@gmail.com www.ctesoa.org	Quarterly; Time/Place TBA	2 Council Appointees Agmt C-18-10 (1/26/10)	Wallace Creegan Alt:Bass Staff Support: JD
Clean Tahoe Program	Katie Sheehan 530 544-4210 katie@clean-tahoe.org	Third Thursday of the Month in the City Council Chambers;	Two Voting Board Members (Councilmember and Designee) Clean Tahoe Bylaws	Wallace Creegan Staff Support: AN HR
El Dorado County Commission on Aging	Steve Shervey 530-622-8476 wyrdspinner@gmail.com	Third Thursday Every Month; Rotates Location Within EDC/TBA;	Council Appointee	Vacant Staff Support: JS and JI
League of CA Cities-Sac Valley Division	Charles Anderson (916) 798-2231 canderson@cacities.org	Quarterly Division Meetings; Annual Meetings Time/Place TBA	Council Appointee (Past Practice = Mayor)	Robbins Staff Support: JI SB
PADMA Park Avenue Development Project Plaza Maintenance Association	Lew Feldman (775) 580-7431 lew@fmttahoe.com	Every other Month Marriott Grand Residence	2 Council Appointees Agmt R-11-00 PADMA Bylaws	Wallace Bass Alt: CM or CA Staff Support: JI HS
South Lake Tahoe Recreation Facilities JPA	Bruce Eisner (530) 545-9905 beisner.sltjpa@sbcglobal.net	Shall Hold at Least One Annual Meeting Each Year; Time/Place TBA	Board Member Agmt C-17-00	Robbins Staff Support: JS and JI
Community Play Consortium	Jeff DeFranco (530) 541-4660 X 210 defranco@ltcc.edu	3 times per year	Council Appointee	Creegan Staff Support: JI OT
JPA -South Lake Tahoe Basin Waste Management Authority-	Jeffrey Warren (530) 621-7628 jeffrey.warren@edcgov.us	Shall Hold at Least One Annual Meeting Each Year; Time/Place TBA	Voting Board Member-Must be a Councilmember & Alternate Agmt C-25-97	CreeganAlt: Bass Staff Support: AN & SL

Tahoe Prosperity Center	Heidi Hill Drum, (775) 298-0265 (office) heidi@tahoeprosperity.org	January, April, July, December	Council Liaison	Wallace Staff Support: JI HR
Lake Tahoe Visitor's Authority Board 1. Tahoe South 2. Tahoe Douglas	Carol Chaplin carol@ltva.org (775) 588-5900 x302 Jennifer Skelly – admin. (775) 588—5900 x300	Second Thursday of each month, 3 p.m. 169 US50, Stateline, NV 89449	Voting Member New LTVA Bylaws Requested from Ms. Chaplin 12 22 20	Bass Staff Support: JI HR

El Dorado Community Action Council (CAC)	Rebecca Johnson (530) 621-6255 Rebecca.Johnson@edcgov.us	4th Wednesday of each month at 10:00 a.m.	Council Appointee	Chelcee Thomas Staff Support JI

2023 City Council Assignments

Non-Voting:

Board	Contact/ Phone	Mtg. Schedule/ Place	Requirement	2023 Assignments
Tahoe Chamber of Commerce tahoechamber.org	Mike Glover, CEO (775) 588-1728 x 301 Mike@tahoechamber.org	Third Thursday of each Month; 8 a.m./Place TBA	Council Liaison – Non-Voting *(Past Practice)*	Wallace Staff Support: JI HR
South Lake Tahoe Lodging Association	Rich Bodine (530) 543-6515 rbodine@hotelazuretahoe.com	Second Thursday of each Month Time/Place TBA	Council Liaison – Non-Voting (Past Practice)	Wallace Staff Support: JI HR
South Tahoe Chamber of Commerce	Amanda Adams, President (530) 721-0243 amanda@tahoeadams.com	Fourth Tuesday of each month	Council Liaison – Non-Voting *(Past Practice)*	Creegan Staff Support: JI HR
El Dorado County Transportation Commission	Woodrow Deloria (530) 642-5265 wdeloria@edct.org dkeffer@edct.org	First Thursday of most months 2:00 PM in the EDC Supervisors' Chambers 330 Fair Lane, Placerville	Council Liaison Non Voting	Bass Alt. Robbins Staff Support: HR and JI

Revised 12/13/2022

2023 City Council Appointments to Subcommittees

Name of Committee	City Council Appointees (2)
Finance Subcommittee	Wallace Robbins Staff Support: OT & JI
South Tahoe Public Utility District Subcommittee	Friedrich Robbins Staff Support: JI & SL
Lake Tahoe Unified School District by 2 X 2 est. 01 15 2019	Creegan Friedrich Staff Support: JI & HR
Lake Tahoe Community College 2 X 2 est. 01 15 2019	Robbins Wallace Staff Support: JI & HR
El Dorado County 2 X 2 est. 01 15 2019	Wallace Bass Staff Support: JI & HR
Charter City Subcommittee est. 06 04 2019 (Renamed 12/1/2020)	Bass Robbins Staff Support: JI & LB
Housing Subcommittee est. 01 14 2020	Wallace Robbins Staff Support: JW & ZT
Multi-Cultural Alliance Subcommittee est. 12 15 2020	Friedrich Bass Staff Support: JI, DS
Mental Health Subcommittee est. 08 03 2021	Creegan Bass Staff Support: JI & DS
Capital Improvement Program Subcommittee est. 01 04 2022	Bass Creegan Staff Support: AN
South Shore Transit Subcommittee Est. 03 14 2023	Bass Wallace Staff Support: JI & HR

Revised 12/13/2022

City of South Lake Tahoe
Notice of Solicitation of Applications

City Council Representative:
El Dorado County Commission on Aging
El Dorado County Community Action Council

NOTICE IS HEREBY GIVEN that the City Council of the City of South Lake Tahoe is soliciting applications for a City Council Representative to the El Dorado County Commission on Aging, and the El Dorado County Community Action Council.

El Dorado County Commission on Aging: (Considered annually)
The City Council will be appointing one representative to the El Dorado County Commission on Aging. Applicants must reside within the city limits. The Commission meets monthly, rotating locations within El Dorado County.

For information purposes, the following is an excerpt from the Commission's webpage:
"The Commission on Aging is an advisory Committee to the El Dorado County Board of Supervisors. The Commission works with the Director of the Area Agency on Aging on community interests and issues faced by seniors in El Dorado County. This includes, but is not limited to, developing community centers in strategic areas of the county to make services accessible to all seniors. The group also promotes services that help seniors to remain in their homes and prevent elder abuse."

El Dorado County Community Action Council: (Considered annually)
The City Council will be appointing one representative to the El Dorado County Community Action Council. Applicants must reside within the city limits. The Council meets the fourth Wednesday of each month at 10 a.m.

For information purposes, the following is an excerpt from the By Laws:

"The purpose of this Advisory Board is to advise the El Dorado County Board of Supervisors, as the designated Community Action Agency, and Board of Directors thereto, for the County, and the Health and Human Services Agency, as the County Department designated by the Board of Supervisors to administer Community Action programs and activities, including the Community Services Block Grant, about the needs of the community on issues relating to human services needs for low-income residents of El Dorado County and to provide an avenue of participation for local government, private organizations, and private citizens of the community in serving the most vulnerable populations. The Council will provide advice and recommendations to the Board of Supervisors, provide assistance in educating the community on human services and available resources in El Dorado County and participate in developing collaborative solutions to meet ongoing community needs, while working together to meet the basic needs and to improve the quality of life for residents of El Dorado County."

Applications:

Applications may be obtained at City Hall located at 1901 Airport Road, South Lake Tahoe, between 8:00 a.m. and 4:00 p.m., Monday through Friday. Applications can also be downloaded from the City's website at www.cityofslt.us, or emailed to interested parties upon request to the City Clerk's Office. Completed applications must be returned to the City Clerk's Office (email preferred sblankenship@cityofslt.us) no later than 4:00 p.m., on Tuesday, December 5, 2023.

The City Council will be making appointments at their December 12, 2023, 5:30 p.m. meeting.
For questions, please contact Susan Blankenship, City Clerk at 542-6005 or via email at sblankenship@cityofslt.us

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 16

Agenda Item: Climate Action Plan Annual Update

Executive Summary: Implementation of the City's Climate Action Plan is well underway. Past year highlights and next year plans will be provided. The Council and general public can track implementation progress on the new Climate Action Plan Tracker website, accessible via link at https://www.cityofslt.us/Sustainability.

Requested Action / Suggested Motions: Receive presentation on Climate Action Plan implementation progress and provide feedback on new Climate Action Plan tracking website.

Responsible Staff Member: Sara Letton, Sustainability Coordinator

Reviewed and Approved By: Heather Stroud, City Attorney Susan Blankenship, City Clerk Olga Tikhomirova, Finance Director

Attachments:

01 - 2023 Climate Action Plan Update.docx
02 - Presentation 2023 Climate Action Plan Update.pptx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: November 7, 2023

Title: Climate Action Plan (CAP) Annual Update

Location: Citywide

Responsible Staff Member: Sara Letton, Sustainability Coordinator, (530) 542-6175

Background: In 2017, the City adopted Resolution 2017-26 and established concrete renewable energy and emissions reduction goals. Since 2018, CivicSpark Fellows worked with the City to build capacity for the City to reach its ambitious sustainability goals. Fellow accomplishments have included conducting a 2015 baseline greenhouse gas inventory and 2018 update, and developing a comprehensive Climate Action Plan (CAP) that was adopted unanimously in October of 2020.

The CAP is an extensive plan that was produced through a lengthy research and community engagement process. Based on the emissions reductions goals set in Resolution 2017-26 and the data collected in the 2015 baseline greenhouse gas inventory, the CAP outlines 14 distinct emissions reductions strategies across five key sectors. The implementation of the CAP was initially overseen by CivicSpark Fellows. In February of 2022, the City hired its first Sustainability Coordinator, who will now oversees the CAP implementation. Because the CAP is wide ranging, in that it includes actions that the City can undertake within its own municipal facilities, as well as community wide actions, the Sustainability Coordinator is situated in the City Manager's Office and works across departments as well as with community partners and stakeholders.

Issue and Discussion: This will be the third annual Climate Action Plan implementation update. Highlights of major CAP implementation efforts over the past year will be provided, as well as plans for the coming year.

One of the recommendations in 2022's CAP update was to provide Council and the public with a web-based platform where progress on implementation of the CAP would be tracked, providing public transparency and regular communication on progress. The Sustainability Coordinator worked closely with Ryan Malhoski, GIS Analyst for the City, who possesses expertise in website development. The CAP Tracker lives on the City's ArcGIS platform which allows for data visualizations that can be easily updated. This first draft webpage aims to be simple in its user interface, and it will be refined as we get more feedback from the Council and community. As greenhouse gas inventory numbers are updated every three years, the data visualizations will be more relevant and helpful.

The new Climate Action Plan Tracker can be found at https://climate-action-plan-tracker-cslt.hub.arcgis.com/. It is more conveniently linked at the City's Sustainability webpage at https://www.cityofslt.us/Sustainability.

The update will proceed with a slide deck, Attachment A.

Financial Implications: This update is informational in nature with no financial implications. The CAP Tracker costs nothing additional to the City, as the ArcGIS subscription is an already approved regular expense for the Public Works department.

Environmental Considerations: The Climate Action Plan Annual Update is exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the CEQA Guidelines states that an activity is covered by the commonsense exemption that CEQA only applies to projects that 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 review.

Policy Implications: The Climate Action Plan Update is an annual commitment to Council and the public. Progress on the CAP also overlaps Strategic Priority 1.5, Carbon Neutrality.

2023 Climate Action Plan Update

CITY OF SOUTH LAKE TAHOE

City Council

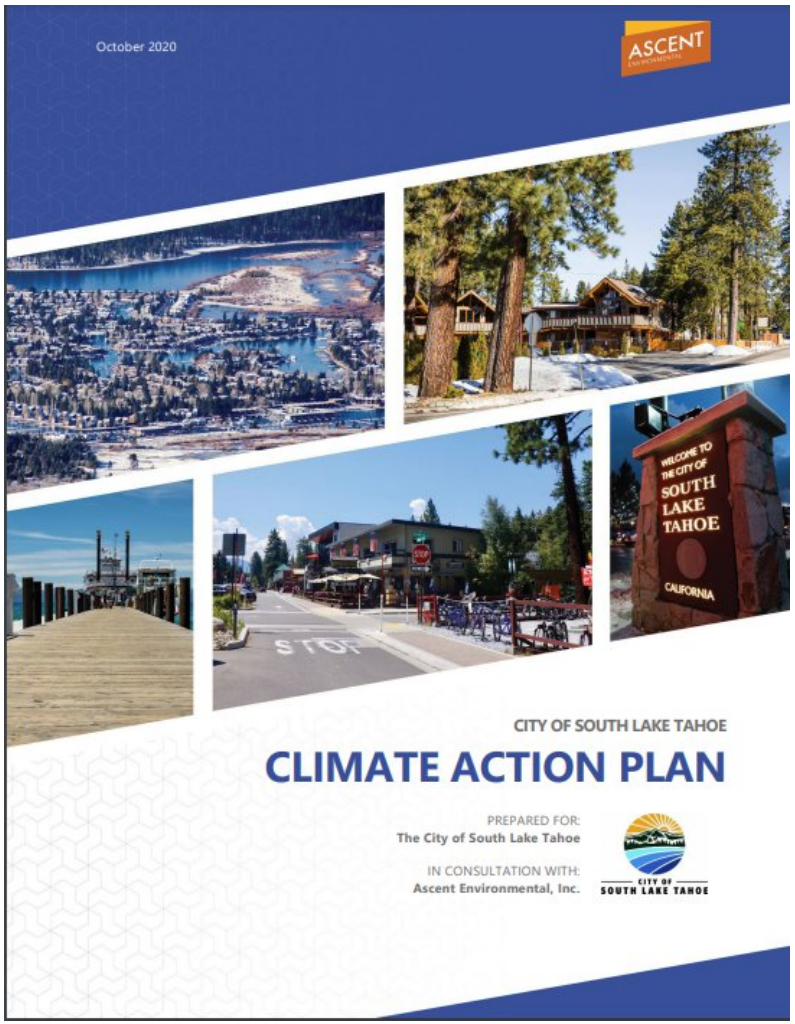
10.17.2023

Sara Letton, Sustainability Coordinator

Agenda

- Background
- Introduction to new CAP Tracker
- Implementation Update
- Looking Forward

Background: Climate Action Plan Adopted in 2020



606

https://www.cityofslt.us/Sustainability

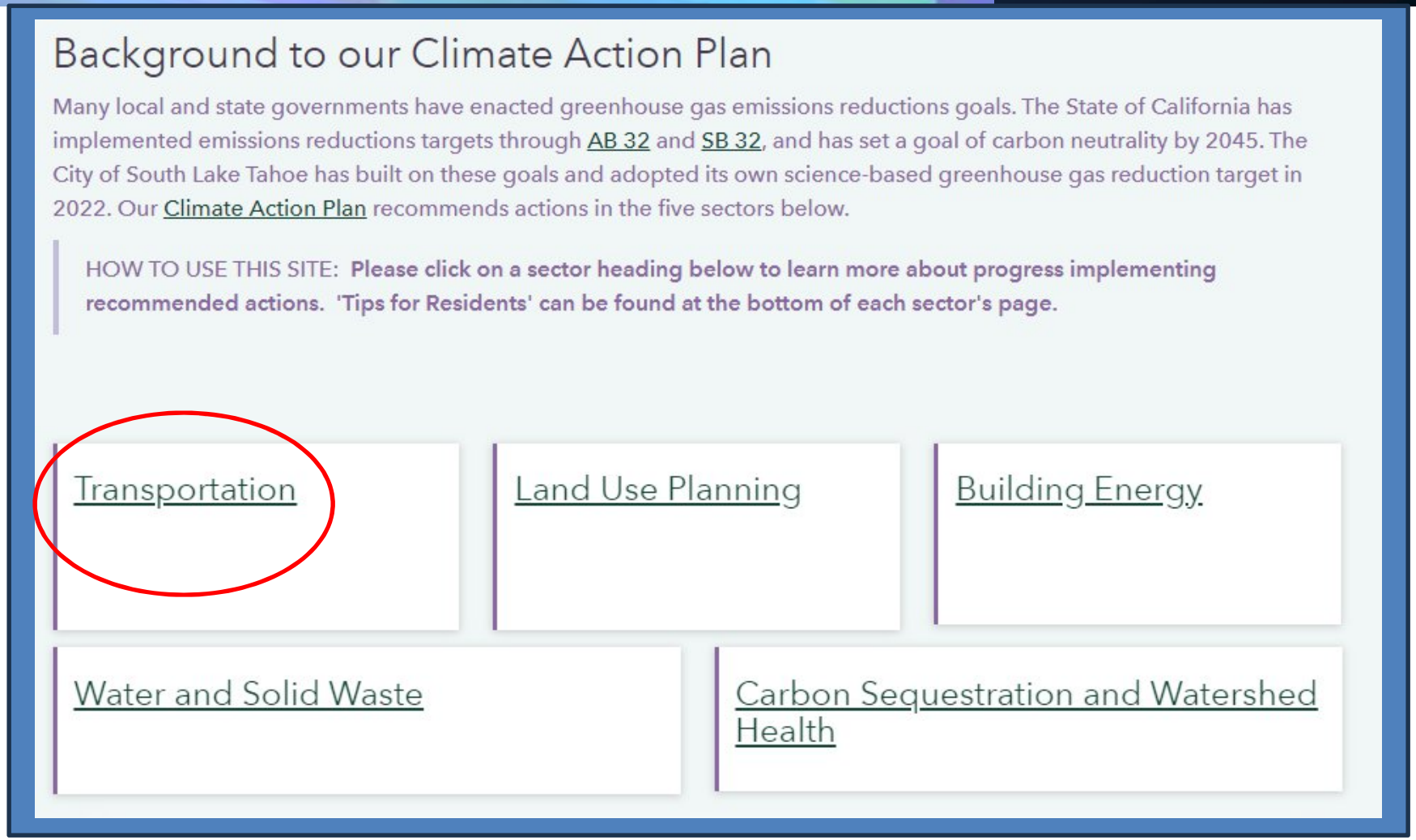
Background context

- Resolution 2017-26
- Resolution 2021-104
- Climate Action Plan
- Science Based Target
  - 59% below 2018 levels
- Greenhouse Gas Tracking
  - 2015: Baseline
  - 2018: 8.2% Increase
  - 2021: Forthcoming

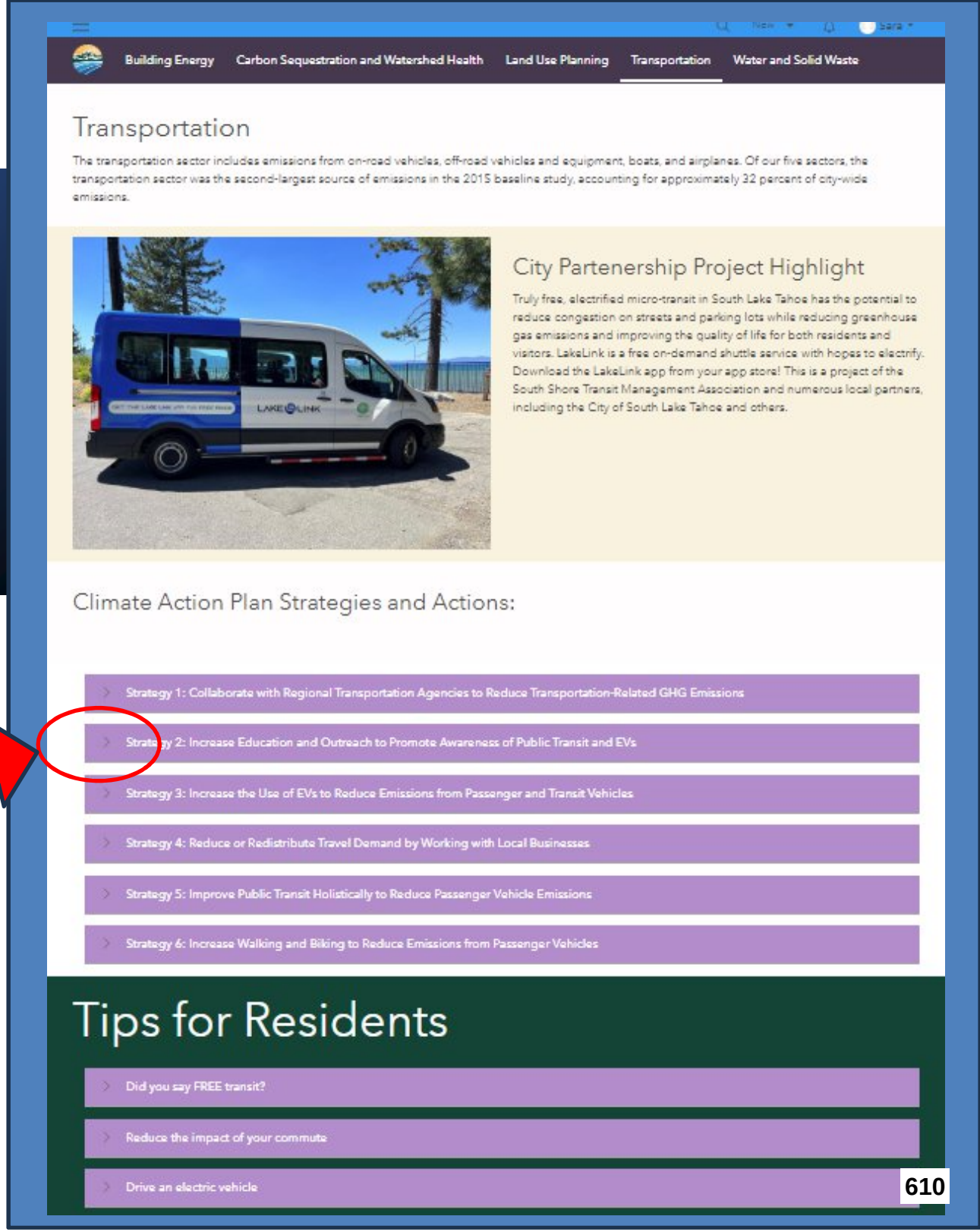
Introducing the ‘Climate Action Plan Tracker’



Introducing the ‘Climate Action Plan Tracker’



CAP Tracker: Transportation



CAP Tracker: Transportation

> Strategy 1: Collaborate with Regional Transportation Agencies to Reduce Transportation-Related GHG Emissions

Strategy 2: Increase Education and Outreach to Promote Awareness of Public Transit and EVs

ED-1: Conduct comprehensive outreach and education to support transit and EVs	Progress	Updated
Provide extensive outreach and education for transit and EV initiatives to all residents, particularly in local high schools and middle schools. **UPDATE:** Extensive outreach has been conducted by the City and South Shore Transit Management Association to encourage the utilization of micro-transit, known locally as LakeLink. Additionally, the City is a founding sponsor of the Lake Tahoe Electric Transportation Forum aimed at community education of transportation electrification in high-elevation cold-climate communities.	In progress	9/21/23
Work with LTUSD to promote Safe Routes to School to encourage students to walk and bike to school. **UPDATE:** City participates congestion reduction efforts with TRPA and community partners.	In progress	9/21/23
Use the Tahoe Bike Challenge as an opportunity to get students and residents excited and involved. **UPDATE:** The City employees participate in this event regularly, and local partners organize and recruit throughout the community.	In progress	9/21/23
Invest resources in marketing and outreach campaigns to shift the culture to pro-transit and pro-EV. **UPDATE:** the City is a founding sponsor of the Lake Tahoe Electric Transportation Forum aimed at community education of transportation electrification in high-elevation cold-climate communities.	In progress	9/21/23
Ensure that education outreach is also geared toward visitors, requiring that materials be provided by hotels and as part of the Vacation Home Rentals permitting process.	Not started	9/21/23

2022 – 23 Implementation Highlights

Transportation: LakeLink pilot success; TTD and LTUSD electric buses; Tesla Superchargers; Working with TRPA & Commute Tahoe; Biking as a Way of Life promotion; Bike paths, plowing commitment; Identified sites for EV charger installation; Reinvested in CivicSpark; CIP budget for EV charging; Lake Tahoe Electric Transportation Forum.

Building Energy: Liberty Utilities Franchise Agreement process; Meetings with CPUC; Letter to CPUC; CCA exploration; STZED collaboration; Reach code development process; Biomass energy pilot project support; Hosted Energy Services Company ('ESCO') selection process; Workforce development in trades to support electrification.

Land Use Planning: Sugar Pine Village implementation.

Water and Solid Waste: Worked with STPUD on energy challenges; Developed new Franchise Agreement with STR, including bagless green waste; procured 2 Climate Action Corps AmeriCorps Fellows.

Carbon Sequestration and Watershed Health: FD defensible space and chipping program; regional collaboration.

Looking forward to the year ahead

Transportation: Design and install EV charging infrastructure; Update EV Fleet Transition Plan; work with STZED on fleet transitions.

Building Energy: Partner with Energy Services company for municipal building efficiency and energy projects; adopt a reach code; develop residential building energy technical assistance and/or financing program; Promote LU's building energy and retrofit programs; Biomass energy project support; Induction stove education; Liberty Utilities Franchise Agreement; Procure outside legal help on CCA/other; New fire station design.

Land Use Planning: Continue Sugar Pine Village project and related solar project at D St

Water and Solid Waste: Support 2 Climate Action Corps AmeriCorps Fellows to help South Tahoe Refuse with organic waste diversion outreach and program development; Support 3-cart transition and enforcement; Work with STPUD on energy needs.

Carbon Sequestration and Watershed Health: Continue defensible space program, chipping program, regional collaboration.

Questions ?

Thank you!

Sara Letton
Sustainability Coordinator
sletton@cityofslt.us

CITY OF
SOUTH LAKE TAHOE

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 17

Agenda Item: 2021 Greenhouse Gas Inventory

Executive Summary: The City of South Lake Tahoe committed to conducting a greenhouse gas inventory starting with a 2015 baseline and continuing every three years thereafter. Sierra Business Council conducted this 2021 inventory and presents findings and future projections.

Requested Action / Suggested Motions: Receive and file.

Responsible Staff Member: Sara Letton, Sustainability Coordinator

Reviewed and Approved By: Susan Blankenship, City Clerk Olga Tikhomirova, Finance Director Heather Stroud, City Attorney

Attachments:

01 - Staff Report - 2021 GHG Inventory.docx
02 - Exhibit CW and GO 2021 GHG Inventories.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: 2021 Greenhouse Gas Inventory

Location: Citywide

Responsible Staff Member: Sara Letton (530) 542-6175

Background: On April 18, 2017 City Council passed Resolution 2017-026, 'Establishing Renewable Energy and Carbon Emissions Reduction Goals For South Lake Tahoe.' This resolution included setting emissions reduction targets, and it committed the City to conducting a greenhouse gas emissions inventory every three years. A study was conducted establishing 2015 as the baseline year, and a 2018 inventory was completed. The results of these inventories were referenced in the City's Climate Action Plan, adopted in 2020. Resolution 2022-088 established a Science-Based Target for Greenhouse Gas Emissions Reduction by 2030 of 59.2% from the 2018 total, which sets a target to reduce by 155,795 $MTCO_2e$. California has established a statewide goal of zero net carbon emissions by 2045.

What are greenhouse gas emissions? According to the Yale Program on Climate Change Communications, "in climate change discourse, *greenhouse gas emissions, carbon emissions,* and *carbon pollution* are often used interchangeably to refer to carbon dioxide and methane emissions, the main causes of global warming."

What is MTCO2e? This stands for 'metric tons of carbon dioxide equivalent.' According to Massachusetts Institute of Technology's Climate Portal: "Imagine a cube 27 feet tall, wide, and long. But just in case that's a little hard to picture, imagine a cube almost as tall, wide, and long as a telephone pole. That's how much space it would take to hold a metric ton of CO_2. (We're going to talk in metric tons here, because that's how scientists measure CO_2. A metric ton is 2,204.6 lbs, and is a little bigger than the American ton's 2,000 lbs and a little smaller than the British ton's at 2,240 lbs —but the three are fairly comparable.)" For additional context, according to the Environmental Protection Agency, "a typical passenger vehicle emits about 4.6 $MTCO_2$ per year. This assumes the average gasoline vehicle on the road today has a fuel economy of about 22.2 miles per gallon and drives around 11,500 miles per year."

Funds were appropriated by council for the 2021 greenhouse gas inventory on February 14, 2023 and Sierra Business Council was contracted to conduct the inventory. They utilized the widely accepted protocol for municipal greenhouse gas emissions inventories scripted by ICLEI, the International Council for Local Environmental Initiatives, for which the City of South Lake Tahoe is a member. ICLEI provides a platform for emissions tracking called ClearPath. The 2015, 2018 and 2021 inventories are catalogued on this platform.

Issue and Discussion: The 2021 Greenhouse Gas Inventory consists of two parts: a government operations inventory and a community-wide inventory. The results of the 2021 inventory for government operations reports the release of 3,592 $MTCO_2e$. The community-wide emissions released into the atmosphere were 222,463 $MTCO_2e$. Government operations makes up 1.6% of the community-wide total emissions.

The Exhibit accompanying this Staff Report was provided by Sierra Business Council and includes 2015, 2018, 2021 emissions, as well as projections into the future for the community. The Business As Usual (BAU) numbers look at past trends, population and employment projections, and then projects total community-wide emissions into the future. The Legislative-Adjusted Business As Usual (ABAU) projections take into account local and statewide legislative mandates that influence emissions. The target emissions number that takes into account the City's 2030 goal and the state's 2045 carbon neutrality goals is laid on top of the ABAU projections. One can see that additional effort on top of mandates will need to be implemented in order to achieve the science-based target for emissions reductions.

It is important to note that 2021 was an unusual year. It was during the Covid-19 pandemic, when lifestyles were impacted significantly, and it was the year of the Caldor Fire. Covid impacted face-to-face interactions, influencing transportation and building energy use habits via remote work lifestyles for some in the community. Solid waste trends were impacted by personal behaviors like use of single-use masks and food ware. Tourism was affected. Then, in September of 2021 the South Lake Tahoe community was traumatized with the Caldor Fire. A local disaster was declared, and the entire community was evacuated for a week. Businesses, tourism, and normal life were extremely impacted. Government operations were affected. For example, the City provided fuel for emergency services during that time and so the government operations fleet fuel use number spiked due to the City providing fuel to outside responding agencies when fuel trucks could not get to town.

Even with these exceptional circumstances in mind, it is noteworthy that the Government Operations 'Buildings and Facilities' emissions, as well as the Community-wide 'Residential Energy', decreased. The cause for this is likely the decrease in emissions attributed to Liberty Utilities' from their decreased emissions in their energy portfolio, leading to fewer greenhouse gases were released due to the electricity utilized during 2021. This is also the first full year of energy production of the City's ~300KW solar array located at the Airport/City Hall which is an aggregated net energy metering project designed to offset most electricity use at the airport facility.

One might also notice that community-wide transportation emissions increased in 2021. It is important to note that the tracking protocol for transportation emissions in the basin has changed since the last inventory. This is a protocol that ideally is in alignment with the Tahoe Regional Planning Agency's long term tracking protocol. They are in the process of updating that protocol and therefore this 2021 on-road transportation emissions number may not be an apples-to-apples comparison through time, and may need to be retroactively refined in the future.

So, while this snapshot of emissions is interesting because it was during the pandemic and a major fire, the audience viewing the report should put it into a larger context of long-term trends. Those who care to track the City's efforts to reduce greenhouse gases should focus more on practices and projects, both in-place and planned, which will reduce emissions heading toward the City's significant 2030 milestone emissions reduction target. The Climate Action Plan Tracker website tracks CAP updates and is available to view via link on the City's Sustainability webpage,

and it will be presented at a future Council meeting. As time goes on, projects will continue to be implemented, greenhouse gas emissions tracking protocols will continue to be refined, and the inventory will play a greater role in steering the City toward particular strategic efforts for reducing greenhouse gas emissions.

Sierra Business Council will be producing a narrative report to accompany this 2021 Greenhouse Gas Emissions Inventory. That report will be available in winter 2024 and will be posted to the City's Sustainability webpage, where the 2018 GHG Inventory Update report is posted.

Financial Implications: This is a report for receiving and filing, with no direct financial implications.

Environmental Considerations: The proposed action is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(5) (organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment).

Policy Implications: Resolution 2017-026, 'Establishing Renewable Energy and Carbon Emissions Reduction Goals For South Lake Tahoe.' This resolution included setting emissions reduction targets and it committed the City to conducting a greenhouse gas emissions inventory every three years starting in 2018. This GHG report achieves that directive and provides long-term tracking toward the goal established in Resolution 2022-088 establishing a Science-Based Target for Greenhouse Gas Emissions Reduction by 2030 of 59.2% from the 2018 total, which set a target to reduce by 155,795 $MTCO_2e$. California has established a statewide goal of zero net carbon emissions by 2045.

Community-Wide Greenhouse Gas Emissions Summary for 2021, City of South Lake Tahoe

Business-As-Usual (BAU)

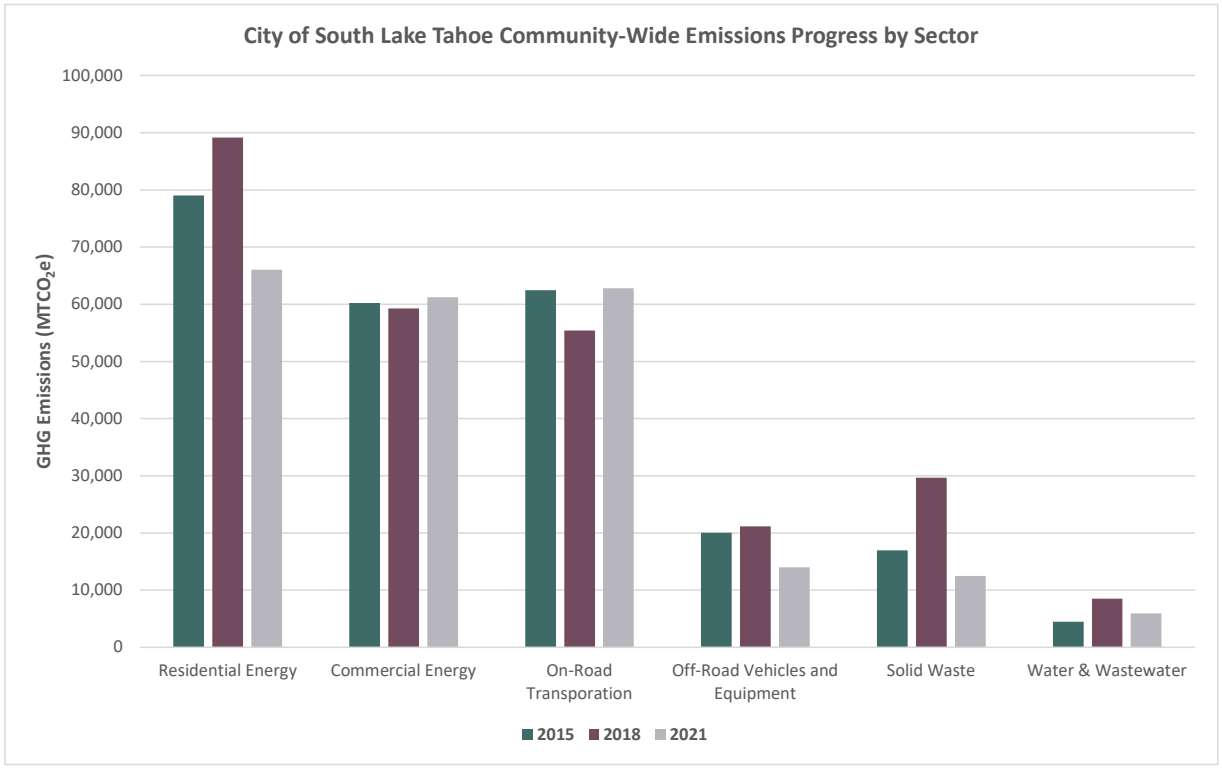
Sector	**2015**	**2018**	**2021**	**2025**	**2030**	**2035**	**2040**	**2045**
Residential Energy	79,016	89,169	66,031	73,131	74,758	76,385	78,012	79,639
Commercial Energy	60,225	59,252	61,222	63,667	65,642	67,680	69,784	71,955
On-Road Transporation	62,472	55,412	62,798	63,112	63,504	63,897	64,820	65,743
Off-Road Vehicles and Equipment	20,045	21,178	14,002	14,683	15,068	15,377	15,666	15,993
Solid Waste	16,945	29,670	12,481	13,823	14,130	14,438	14,745	15,053
Water & Wastewater	4,493	8,487	5,930	6,568	6,714	6,860	7,006	7,152
Total (MT CO2e)	**243,196**	**263,168**	**222,463**	**234,983**	**239,816**	**244,637**	**250,033**	**255,535**

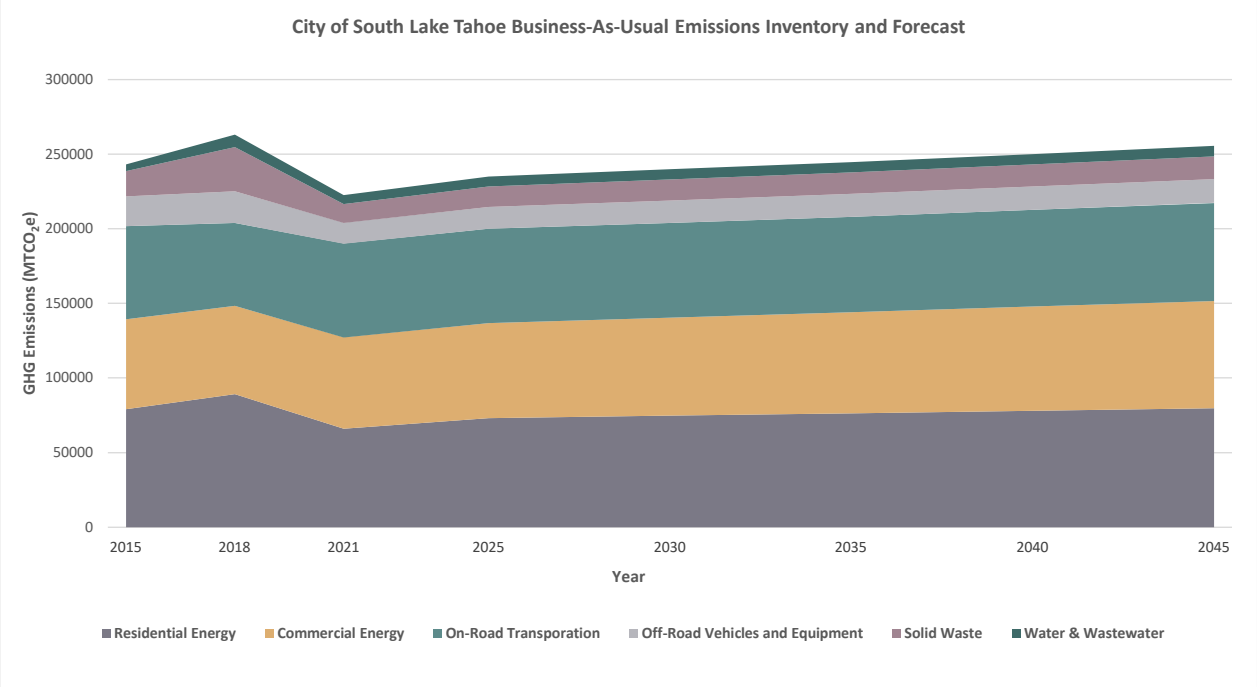
Legislative-Adjusted BAU (ABAU)

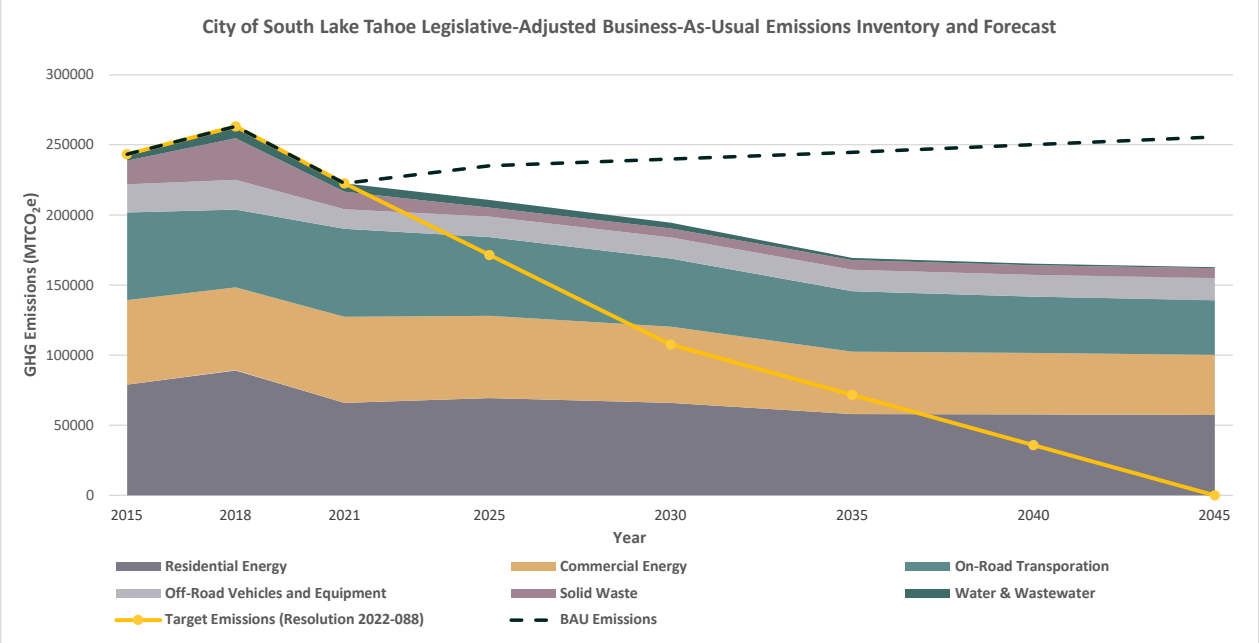
Sector	**2015**	**2018**	**2021**	**2025**	**2030**	**2035**	**2040**	**2045**
Residential Energy	79,016	89,169	66,031	69,268	65,873	58,042	57,702	57,295
Commercial Energy	60,225	59,252	61,222	58,858	54,478	44,405	43,744	42,995
On-Road Transporation	62,472	55,412	62,798	55,936	48,429	43,148	40,171	38,846
Off-Road Vehicles and Equipment	20,045	21,178	14,002	14,683	15,068	15,377	15,666	15,993
Solid Waste	16,945	29,670	12,481	6,385	6,527	6,669	6,811	6,953
Water & Wastewater	4,493	8,487	5,930	5,458	4,162	1,592	1,173	735
Total (MT CO2e)	**243,196**	**263,168**	**222,463**	**210,588**	**194,537**	**169,235**	**165,267**	**162,818**
Target Emissions (Resolution 2022-088)	**243,196**	**263,168**	**222,463**	**171,312**	**107,373**	**71,582**	**35,791**	**0**
Gap to Reach Target Emissions (MT CO2e)	**0**	**0**	**0**	**39,277**	**87,164**	**97,653**	**129,476**	**162,818**

City of South Lake Tahoe Emissions Reduction Targets (Resolution 2022-088)

2030 Target Reduction from 2018 Emissions	59%
2030 Target Emissions	107,373
2045 Target Reduction from 2018 Emissions	100%
2045 Target Emissions	0


City of South Lake Tahoe Community-Wide Emissions Progress by Sector
GHG Emissions (MTCO2e)
100,000
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
Residential Energy
Commercial Energy
On-Road Transporation
Off-Road Vehicles and Equipment
Solid Waste
Water & Wastewater
2015
2018
2021

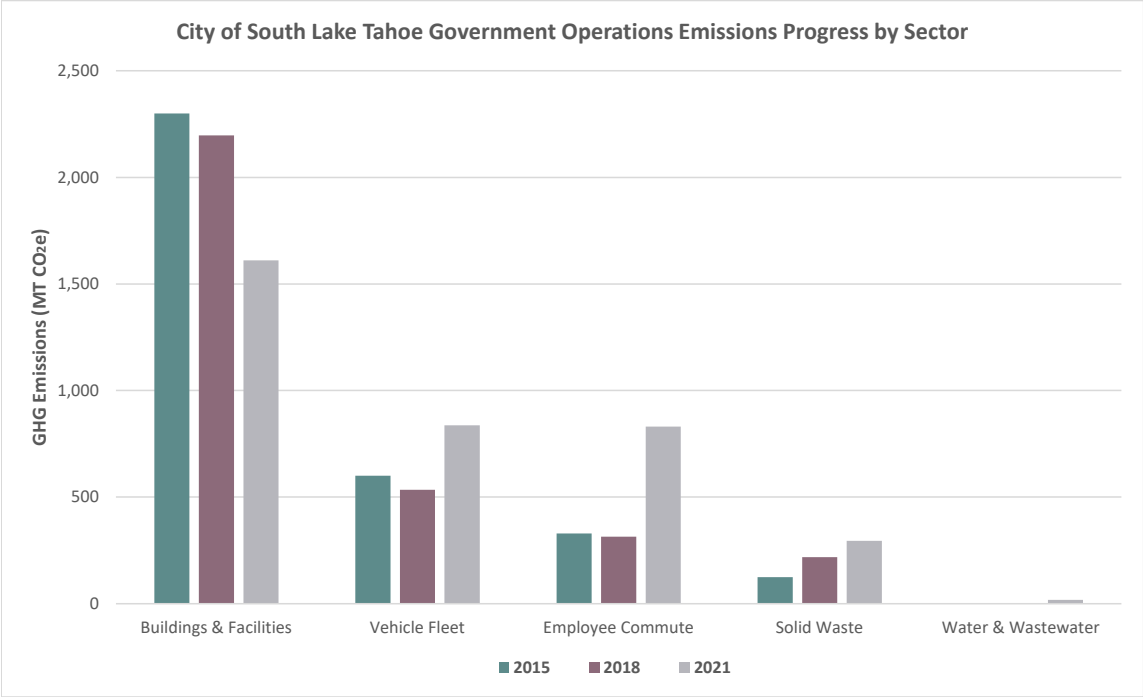

City of South Lake Tahoe Business-As-Usual Emissions Inventory and Forecast
300000
250000
200000
150000
100000
50000
0
GHG Emissions (MTCO2e)
2015
2018
2021
2025
2030
2035
2040
2045
Year
Residential Energy
Commercial Energy
On-Road Transporation
Off-Road Vehicles and Equipment
Solid Waste
Water & Wastewater

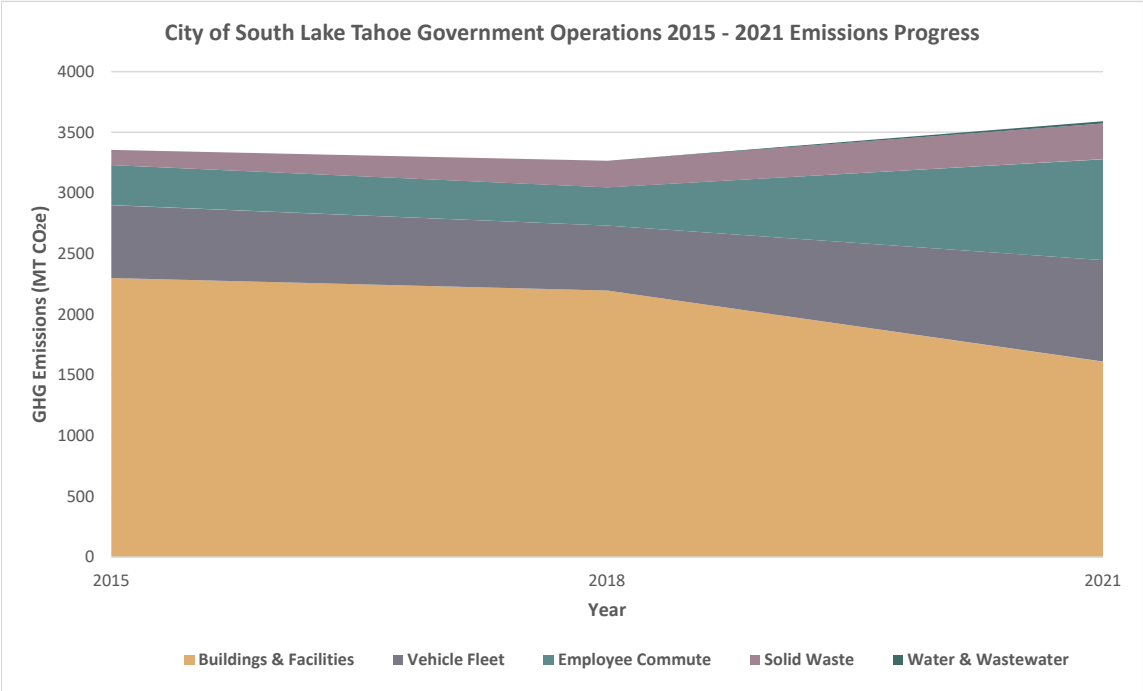

City of South Lake Tahoe Legislative-Adjusted Business-As-Usual Emissions Inventory and Forecast
300000
250000
200000
150000
100000
50000
0
GHG Emissions (MTCO2e)
2015
2018
2021
2025
2030
2035
2040
2045
Year
Residential Energy
Commercial Energy
On-Road Transporation
Off-Road Vehicles and Equipment
Solid Waste
Water & Wastewater
Target Emissions (Resolution 2022-088)
BAU Emissions

Government Operations Greenhouse Gas Emissions Summary for 2021, City of South Lake Tahoe

Government Operations

Sector	2015	2018	2021
Buildings & Facilities	2,300	2,197	1,611
Vehicle Fleet	600	534	837
Employee Commute	330	315	831
Solid Waste	125	219	295
Water & Wastewater	0	0	18
Total	**3,355**	**3,265**	**3,592**


City of South Lake Tahoe Government Operations Emissions Progress by Sector
GHG Emissions (MT CO2e)
2,500
2,000
1,500
1,000
500
0
Buildings & Facilities
Vehicle Fleet
Employee Commute
Solid Waste
Water & Wastewater
2015
2018
2021


City of South Lake Tahoe Government Operations 2015 - 2021 Emissions Progress
GHG Emissions (MT CO2e)
4000
3500
3000
2500
2000
1500
1000
500
0
2015
2018
2021
Year
Buildings & Facilities
Vehicle Fleet
Employee Commute
Solid Waste
Water & Wastewater

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 18

Agenda Item: Amendments to City Council Protocols

Executive Summary: City staff identified proposed amendments to the City Council Protocols which reflect the 2024 regular meeting schedule. City staff are also proposing the addition of language to clarify that remote public participation is not legally required and is provided as a convenience, and that the meeting may continue if the remote public participation technology platform (ZOOM) malfunctions during a meeting. Except for noticed teleconference meetings or a meeting at which a council member is participating under the â€œjust causeâ€ or â€œemergency circumstancesâ€ provisions of the Brown Act, when remote public participation is required under the Brown Act, the meeting may continue with in-person participation only if the remote public participation technology malfunctions. The public may still provide public comment in writing and in person during the meeting.

Requested Action / Suggested Motions: 1) Pass a Motion approving the suggested amendments to the City Council Protocols; or, 2) Pass a Motion directing staff to bring back the City Council Protocols with specific changes.

Responsible Staff Member: Susan Blankenship, City Clerk, and Heather Stroud, City Attorney

Reviewed and Approved By: Susan Blankenship, City Clerk Heather Stroud, City Attorney

Attachments:

01-Staff Report-Protocols.docx
02-Proposed 2024 City Council Protocols (Redline).pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: December 12, 2023

Title: City Council Protocols Update

Location: Citywide

Responsible Staff Member: Susan Blankenship, City Clerk and Heather Stroud, City Attorney

Background: At the November 21, 2023, City Council meeting, Council passed the 2024 regular meeting schedule (Resolution 2023-112). In 2024 City Council meetings will be held the second and fourth Tuesday in January, February, March, August, and September; the first and third Tuesday in May, June, and November; the fourth Tuesday in April and October; and the second Tuesday in December.

Regular meetings will be held at City Hall, Council Chambers, located at 1901 Lisa Maloff Way, South Lake Tahoe, California. The first meeting of every month will begin at 9 a.m. The second meeting will begin at 5:30 p.m. If there is only one meeting in a month, it will begin at 5:30 p.m. The second meeting in August (Budget Workshop) will begin at 9 a.m. No meetings have been scheduled for the month of July.

Issue and Discussion: City staff identified proposed amendments to the City Council Protocols which reflect the 2024 regular meeting schedule.

City staff are also proposing the addition of language to clarify that remote public participation is not legally required and is provided as a convenience, and that the meeting may continue if the remote public participation technology platform (ZOOM) malfunctions during a meeting. Except for noticed teleconference meetings or a meeting at which a council member is participating under the “just cause” or “emergency circumstances” provisions of the Brown Act, when remote public participation is required under the Brown Act, the meeting may continue with in-person participation only if the remote public participation technology malfunctions.

The public may still provide public comment in writing and in person during the meeting.

Environmental Considerations: The proposed action is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(4) (creation of government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment).

Financial Implications: There are no financial implications associated with this action.

Policy Implications: The Council's Protocols are in addition to and in accordance with the Ralph M. Brown Act and Rosenberg's Rules of Order.

PROTOCOLS

for the City of South Lake Tahoe

City Council
South Tahoe Redevelopment Successor Agency (STRSA)
South Tahoe Joint Powers Financing Authority (STJPFA)
South Tahoe Joint Powers Parking Authority (STJPPA)
Parking Authority of the City of South Lake Tahoe (Parking Authority)

I. COUNCIL/STRSA/STJPFA/STJPPA/PA MEETINGS

1. **Regular Meetings** - Regular meetings of the City Council, South Tahoe Redevelopment Successor Agency, South Tahoe Joint Powers Financing Authority, South Tahoe Joint Powers Parking Authority, and Parking Authority of the City of South Lake Tahoe shall be held, without the necessity for notice on: the second and fourth Tuesday in January, February, March, August, and September; the first and third Tuesday in May, June and November; the ~~first~~ fourth Tuesday in April~~; the third Tuesday in~~ and October; and the second Tuesday in December.~~; and includes an additional Strategic Planning Retreat the fifth Tuesday in January, and a Joint City Council, Planning Commission Ethics Training the first Tuesday in March, both held at 9 a.m..~~ Regular meetings will be held at City Hall, Council Chambers, located at 1901 Lisa Maloff Way, South Lake Tahoe, California. The first meeting of every month will begin at 9 a.m., the second meeting will begin at 5:30 p.m.~~, with noted exceptions.~~ If there is only one meeting in a month, it will begin at 5:30 p.m. The second meeting in August (Budget Workshop) will begin at 9 a.m.
    a. **Posted Agendas**: The City Clerk shall post the agenda for every City Council/STRSA/STJPFA/STJPPA meeting in the inside and outside enclosed bulletin boards at the City Hall, located at 1901 Lisa Maloff Way and on the Services Center bulletin board outside kiosk at the Services Center at located at 1052 Tata Lane. Agendas are available at no charge from the City Clerk's Office in City Hall and on the City Clerk's Web Page at www.cityofslt.us.
    b. **Location During Local Emergency** - If, by reason of fire, flood or other emergency, it shall be unsafe to meet in the City Council Chambers, or if the Council Chambers are being used as the Emergency Operations Center, the meetings may be held for the duration of the emergency at such other place as may be designated by the Mayor or, if the Mayor does not so designate, by the City Manager. The City Clerk will provide public notice of change in meeting location, consistent with the Brown Act.

2. **Chair** - The Mayor shall preside over all Council meetings. The Mayor shall have authority to preserve order at all Council meetings, to remove any person from any meeting of the Council for disorderly conduct, to enforce the rules of the Council and to determine the order of business under the rules of the Council.

   Absence of Mayor - The Mayor Pro Tem shall act as Mayor in the absence or disability of the Mayor.

3. **Attendance by the Public** - All meetings of the Council shall be open and public in accordance with the terms, provisions and exceptions consistent with the Ralph M. Brown Act (Government Code sections 54950, et seq.).

4. **Action Agenda Items** - In accordance with the Ralph M. Brown Act, the Council may not act on any item that did not appear on the posted Council agenda 72 hours prior to the regular Council meeting unless an exception is made as permitted under Government Code section 54954.2.

5. **Special Presentations** - All special presentation request will be sent to the City Clerk via email and brought forward at the next regularly scheduled meeting under City Manager, City Attorney, City Clerk Reports. Upon support of two Councilmembers, direction shall be given to the City Clerk to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made. Special Presentations will be limited to one per meeting, to be held at the beginning of the meeting and shall not exceed 15 minutes for each Council Meeting.

6. **Councilmember Reports** - The Council Reports section of the agenda provides Council the opportunity to briefly comment on Council business, city operations, city projects, attendance at meeting(s) attended as a City-appointed Representative and other items of interest to the Council. This is also the opportunity for a Councilmember to request a specific issue come back on a future agenda for consideration and possible action as set forth in paragraph 8 below or to request a majority consensus of the Council to direct staff to research, explore, examine or make inquiry into a specific item of interest.

7. **Proclamations and Certificates of Appreciation –** Under Councilmember Reports, any Councilmember may request the City Manager place a City Council Proclamation or Certificate of Appreciation on a future agenda in accordance with the procedures in Paragraph I(8) of these Protocols (Placement of Item on Future Agenda). When time is of the essence, the Mayor may sign a proclamation on behalf of the City and it will be placed on the next City Council meeting agenda as an informational item by the City Clerk.

   City Council Proclamations and Certificates of Appreciation are signed by the Mayor and may be presented at a City Council meeting or delivered directly to a community member/organization.

   All Proclamations and Certificates of Appreciation will be prepared by the City Clerk or designee.

8. **Placement of Item on Future Agenda** – Under Agenda Planning Calendar or Councilmember Reports, a Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made.

9. **Consent Calendar** - Agenda items removed from the consent calendar by Councilmembers will be considered at the conclusion of the vote passing the Consent Agenda. Any discussion on an item will require pulling the item from the consent calendar. A Councilmember may comment or ask clarifying questions prior to taking the vote to pass the Consent Agenda. A Councilmember may vote “No” on any consent item without discussion prior to taking the vote to pass the Consent Agenda.

10. **City Manager, City Clerk and City Attorney Reports/Updates on Topics of Interest** - Each

agenda shall have a section for topics of interest to be listed in order for the City Manager, City Clerk and City Attorney to provide a brief report/update on the listed topics. Council may ask questions or hold brief discussion at this time.

11. **Adjournment** – The Council will establish the hour of adjournment by a majority vote of the Council. Council meetings will end no later than 10 p.m. unless by a unanimous vote of Council.

12. **Teleconferencing** - As provided in the Brown Act, teleconferencing (a meeting connected by electronic means, through either audio or video, or both, when the members are in different locations) may be used for all purposes during any meeting. At least a quorum of the legislative body must participate from locations within the local agency's jurisdiction (i.e. City of South Lake Tahoe limits). All votes must be by roll call. Except when a councilmember is participating remotely under the just cause or emergency circumstances provisions of the Brown Act, the following rules apply. Each teleconference location must be specifically identified in the notice and agenda of the meeting, including a full address and room number, if applicable. Agendas must be posted at each teleconference location, even if a hotel room or a residence. Each teleconference location must be accessible to the public and have technology, such as a speakerphone, to enable the public to participate. The agenda must provide the opportunity for the public to address the legislative body directly at each teleconference location.

13. **Electronic Communications & Devices** – City Council members will not utilize electronic mail (email or text messages) to send messages during the Council meeting. Due process requires Council's full deliberation during Council meetings on items before the Council for consideration. City Councilmembers will not utilize the internet during Council meetings to receive information on items on the agenda that are not disclosed to the entire City Council and public. Outside of City Council meetings, Councilmembers should not communicate via electronic communication (email/text) with more than one other member of the City Council on any issue regarding City business.

II. RULES OF CONDUCT

1. **General Procedure** - It is the policy of the Council not to become involved in the entanglements over parliamentary procedure. The Council shall conduct their meetings consistent with Rosenberg's Rules of Order, as modified in these protocols and are subject to the City Attorney's ruling on the matter.

2. **Addressing Members of the Public and Staff** - In addressing the public and members of the City's staff, Councilmembers will generally refer to persons as Mr., Mrs., or Ms. followed by their surname.

3. **Authority of the Chair** - The Mayor shall have the authority to prevent the misuse of motions, or the abuse of any privilege, or obstruction of the business of the Council by ruling any such matter out of order. In so ruling, the Mayor shall be courteous and fair and should presume that the moving party is acting in good faith.

4. **Mayor to Facilitate Council Meetings** - The Council has delegated the responsibility and expanded the role of the Mayor to include the facilitation of Council meetings. In the role as facilitator, the Mayor will assist the Council to focus on their agenda, discussions and deliberations.

5. **Council Deliberation & Order of Speakers** - The Mayor has been delegated the responsibility to

control the debate and the order of speakers.

6. **Limit Deliberations to Item at Hand** - Councilmembers will limit their comments to the subject matter, item or motion being currently considered by the Council.

7. **Length of Council Comments** - Councilmembers will govern themselves as to the length of their comments or presentation. As a courtesy, the Mayor will signal by hand to a Councilmember who has been speaking for over five (5) minutes. The intent of the hand signal is a courtesy to let the Councilmember know they have been speaking for approximately five minutes and may want to consider wrapping up their comments. This procedure is not meant to limit debate or to cut comments short, but rather to assist Councilmembers in their efforts to communicate concisely.

8. **Obtaining the Floor** - Any member of the Council wishing to speak must first indicate to the Mayor their desire to speak by electronically pressing their "call to speak" button. The Councilmember shall then wait for the Mayor to recognize and call upon the Councilmember to obtain the floor. The Mayor must recognize any Councilmember who seeks the floor when appropriately entitled to do so.

9. **Motions** - Motions may be made by any member of the Council, including the presiding officer, providing that before the presiding officer offers a motion, the opportunity for making a motion should be offered to other members of the Council. Any member of the Council, other than the person offering the motion, may second a motion.

10. **Procedure for Motion** The following is the general procedure for making motions:
    - **a.** After a motion has been properly made and seconded, the Mayor shall open the matter for discussion offering the first opportunity to the moving party and, thereafter, to any Councilmember properly recognized by the Mayor.
    - **b.** Once the matter has been fully discussed and the Mayor calls for a vote, no further discussion will be allowed, however, Councilmembers may be allowed to explain their vote.

11. **Tie Votes -** A tie vote results in a lost motion. In such an instance, any member of the Council may offer a motion for further action. If there is no action by an affirmative vote, the result is no action. If the matter involves an appeal, and an affirmative vote does not occur, the result is that the decision appealed stands as decided by the decision-making person or body from which the appeal was taken.

12. **Abstention** – If a Councilmember abstains from voting, except when abstaining due to a conflict of interest, he/she is counted as present for quorum purposes, but, is not deemed to be "voting" for purposes of determining whether there has been a "majority vote of those members present and voting." If the member abstains due to a conflict of interest, the Councilmember will not be counted toward making a quorum and will not be deemed to be "voting" for purpose of determining whether there has been a "majority vote of those members present and voting."

13. **Motions for Reconsideration**
    - **a.** Requests for Motions for reconsideration of a matter may be made at the same meeting or by request to the City Manager within 48 hours after the conclusion of the meeting following a Council action and shall be scheduled for the next meeting.
    - **b.** A proposed motion for reconsideration at the next succeeding meeting must comply with Brown Act noticing requirements.
    - **c.** Motions for reconsideration may only be made by a Council member that voted with the

majority of the City Council on the action proposed to be reconsidered by the Council. In the case of a tie vote, the prevailing side or majority of the Council will be deemed to be those Councilmembers who voted in the negative.

d. Any member of the Council may second a motion for reconsideration.

III. PUBLIC HEARINGS

1. **General Procedure** - The Council procedure for the conduct of public hearings is generally as follows:
   - **a.** The Mayor opens the public hearing.
   - **b.** Staff presents its report.
   - **c.** Councilmembers may ask questions of staff if they so desire.
   - **d.** The applicant then has the opportunity to present comments, testimony or arguments.
   - **e.** Members of the public are provided with the opportunity to present their comments, testimony or argument.
   - **f.** The applicant and staff may be given an opportunity for rebuttal or concluding comments
   - **g.** The public hearing is closed. No further public comment is allowed.
   - **h.** The Council deliberates on the issue and takes action.
   - **i.** If the Council raises new issues through deliberation and seeks to take additional public testimony (questions of the public, applicant or appellant), the Public Hearing must be reopened. At the conclusion of the public testimony, the Public Hearing is again closed.
   - **j.** The Council deliberates and takes action.
   - **k.** The City Clerk announces the final decision of the Council.

2. **Time for Consideration** - Matters noticed to be heard by the Council will commence at the time specified in the notice of hearing, or as soon thereafter as is reasonably possible, and will continue until the matter has been completed or until other disposition of the matter has been made.

3. **Public Discussion at Hearings** - When a matter for public hearing comes before the Council, the Mayor will open the public hearing. Upon opening the public hearing and before any motion is adopted related to the merits of the issue to be heard, the Mayor shall inquire if there are any persons present who desire to speak on the matter which is to be heard or to present evidence respecting the matter.

   a. **Public Member Request to Speak** - Any person desiring to speak, or present evidence shall make his/her presence known to the Mayor and upon being recognized by the Mayor, the person may speak or present evidence relevant to the matter being heard. No person may speak without first being recognized by the Mayor.
   - **b. Council Questions of Speakers** - Members of the Council who wish to ask questions of the speakers or each other during the public hearing portion may do so but only after first being recognized by the Mayor. Interaction with the speaker shall be limited to a question or questions, rather than an ongoing dialogue. Councilmembers should avoid raising questions as a method to extend the allocated time for a speaker.
   - **c. Public Oral Presentation**- All Council rules pertaining to oral presentation by members of the public apply during public hearings.
   - **d. Materials for Public Record** - All persons interested in the matter being heard by the Council shall be entitled to submit written evidence or remarks, as well as other graphic

evidence. The City Clerk as part of the Clerk's record of the hearing will retain all such evidence presented, unless otherwise directed.

e. **Germane Comments** - No person will be permitted during the hearing to speak about matters or present evidence which is not germane to the matter being considered. A determination of relevance shall be made by the Mayor.

4. **Communications and Petitions** - Written communications and petitions concerning the subject matter of the hearing will be noted at the meeting by the City Clerk as part of the permanent public record. A reading in full shall take place if requested by any member of the Council.

IV. ADDRESSING THE CITY COUNCIL

1. **Staff Reports and/or Applicant Presentations** - Staff is requested to provide an executive summary of their written staff report. Applicant presentations shall be limited to no more than fifteen (15) minutes. Longer presentations must be approved by the City Manager prior to the Council meeting.

2. **Oral Comments by Members of the Public** - Oral comments by members of the public at City Council meetings on an item listed on the agenda are as follows:
   - **a.** Oral comments may not exceed three (3) minutes, unless otherwise provided.
   - **b.** When called upon, the person may state their name for the record, and, if speaking for an organization or other group, identify the organization or group represented.
   - **c.** All remarks should be addressed to the Council as a whole, not to individual members.

3. **Use of Remote Public Participation for Oral Comments**
Beginning with remote meetings held during the COVID-19 pandemic, the City has provided the opportunity for remote public comment via the Zoom platform. Since returning to in-person meetings, the City maintained the ability to provide remote public comment via Zoom for the convenience of members of the public, although it is not legally required except for noticed teleconference meetings or at a meeting in which a council member is participating under the "just cause" or "emergency circumstances" provisions in Government Code section 54953.Except under these circumstances where remote public participation is legally required, the City Council reserves the right to conduct the meeting with in-person public participation only if there is a technology malfunction that precludes the use of remote public participation.

4. **Public Communications** - This is the public's chance to speak on any topic not listed on this agenda. In compliance with Government Code Section 54954.3 (Chapter known as the "Brown Act"), Public Communications is that portion of City Council meeting set aside for members of the public to address the City Council on items of any City business other than scheduled agenda items. This portion of the meeting is recorded, televised on Channel 21 and web streamed live and on demand.

   - **a. Timing** - Public Communications will be held at the beginning each regular Council meeting, as specified on the City Council agenda as set forth above, in accordance with the Brown Act. The Mayor shall request that comments should be held to four (4) minutes, or less. If the Mayor has knowledge at the beginning of the public comment period that several members of the public are present to comment on a particular issue, he/she may ask for a show of hands of those individuals requesting to comment on the issue. If ten (10) or more individuals are present to speak on the issue, the Mayor may limit their comment time to two (2) minutes, or he/she may ask that a spokesperson be appointed to represent and speak on behalf of those individuals collectively.
   - **b. Council Deliberations Prohibited** – In compliance with the Brown Act, the Council may

not deliberate or vote on any matter raised in Public Comments. The Mayor, however, may request the City Manager to provide additional information on a matter of general interest to the full Council or the public at large. To ensure compliance with the Brown Act, items requiring discussion or action by the Council should be scheduled for a future agenda.

5. **Agenda Item Oral Presentations** - Any member of the public wishing to address the Council orally on City business matters appearing on the Council agenda may do so when that item is taken up by the Council, or as otherwise specified by the Council or its presiding officer.
   a. **Time Limit** - Oral presentations may not exceed three (3) minutes unless otherwise provided. The Mayor, with the concurrence of the City Council, may alter any of the numerated time allocations based on the complexity of the item and the number of persons wishing to speak on the item.
   b. **Presentations Submitted in Writing** - Persons who anticipate oral presentations exceeding three (3) minutes are encouraged to submit comments in writing at the earliest possible time, for distribution to the Council and other interested parties. Comments should be submitted sufficiently in advance of the scheduled meeting date to insure distribution to the Council prior to the meeting.

6. **Power Point Presentations** – Members of the public may present a Power Point software presentation to the Council utilizing the City's audio/visual equipment, provided that the public make their request to the City Clerk 72 hours in advance of the meeting in order to coordinate with the Information Systems Division for the use of the equipment.
   a. All Power Point presentations must comply with applicable time limits for oral presentations and cumulative time limits. Presentations should be planned with flexibility to adjust to any changes in these time limits.
   b. A printed hard copy of the Power Point presentation must be provided to the City Clerk for the public record.

7. **Comments in Writing Encouraged** - Members of the public may submit, and are encouraged to submit, comments in writing to the City Council in care of the City Clerk at PublicComment@cityofslt.us relating to any items of City business, whether on the City Council agenda or otherwise. Any such comment that is a public record and is emailed to PublicComment@cityofslt.us or otherwise provided to a majority of the City Council before the meeting will be made available for public inspection during normal business hours at the City Clerk's Office located at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe [Government Code Section 54957.5(b)] All written communications received prior to or at the meeting will be recorded in the meeting Minutes prepared by the City Clerk and will be retained as part of the permanent administrative record in the City Clerk's repository available to the public on the City's website.

8. **Repetitious or Dilatory Comments Prohibited**
   a. A speaker shall not present the same or substantially same items or arguments to the Council repeatedly or be repetitious or dilatory in presenting their oral comments. If a matter has been presented orally before the Council, whether the Council has taken action, or determined to take no action, the same or substantially same matter may not be presented orally by the same person any further.

      Nothing in the foregoing precludes submission of comments to the City Council in writing for such action or non-action as the Council, in its discretion, may deem appropriate.

b. In order to expedite matters and to avoid repetitious presentations, the designation of a spokesperson is encouraged.

Whenever any group of persons wishes to address the Council on the same subject matter, those persons are encouraged to designate a spokesperson to address the City Council. With the consent of the City Council, the Mayor may extend the time allocation for a designated spokesperson.

9. Suspending of the Rules - Any of the foregoing rules may be waived by two-thirds (2/3) vote of the Councilmembers present when it is deemed that there is good cause to do so based upon the particular facts and circumstances involved.

10. Non Exclusive Rules - The rules set forth are not exclusive and do not limit the inherent power and general legal authority of the Council, or of its presiding officer, to govern the conduct of City Council meetings as may be considered appropriate from time to time or in particular circumstances for purposes of orderly and effective conduct of the affairs of the City.

V. APPEALS

1. General Procedure - The Council procedure for the conduct of appeals is generally as follows:

a. The Mayor explains the Council is considering the appeal of ___regarding___, and confirms that notice of the appeal hearing has been given to the appellant.

b. Council hears evidence and testimony in the following order:

i. Any opening statement or remarks by the appellant and/or appellant's attorney and evidence or testimony from the appellant (requested time limit - 10 minutes) followed by any questions by Councilmembers or others (including staff) who wish to ask questions (suggested time - 3 minutes per Councilmember).

ii. Any evidence or testimony from staff members concerning any issues raised surrounding this matter (time scheduled - 10 minutes), followed by comments by the applicant, if the applicant and appellant are different parties. (requested time limit – 10 minutes), followed by any questions by the appellant and Councilmembers (suggested time - 3 minutes per speaker).

iii. Any evidence or testimony from the appellant and/or appellants attorney in rebuttal to or in clarification of any other evidence or testimony presented, and any closing statement or remarks that the appellant wishes to make (requested time limit - 5 minutes).

iv. Public Comment (time limit – 3 minutes per speaker)

c. The Mayor shall conduct the appeal in such a manner as to afford due process to the appellant.

d. Following the presentation of testimony, the Council deliberates on the evidence and testimony presented, and votes on whether to grant the appeal, provided they have all the necessary information. If issues are raised during the appeal hearing that cannot be immediately responded to by Staff, the Hearing should be continued to have such information available for the appeal process.

e. The City Clerk announces the final decision of the Council.

VI. CLOSED SESSION

1. Announcement prior to closed sessions

a. Prior to holding any closed session, the legislative body of the local agency shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the legislative body may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.

b. After any closed session, the legislative body shall reconvene into open session and shall make any disclosures required by Gov Code section 54957.1 of action taken in the closed session.

c. The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcements.

2. Statement of Reasons for Closed Sessions

a. Prior to adjourning to any closed session, the City Council shall announce in open session the general reason or reasons for the closed session, and must cite and explain the statutory or case authority under which the session is being closed.

b. In the case of a closed session item added to the agenda pursuant to Government Code Section 54954.2(b) herein, the statement shall be made in open session concurrent with the findings required pursuant to that section.

c. If a closed session item or session has been adjourned or continued from a prior meeting, the body shall re-state the reasons for closed session before reconvening the closed session.

d. Nothing in this section shall require or authorize a disclosure of information that is confidential under law.

3. Conduct of closed session.

The Council shall consider in closed session only those matters authorized by the Ralph M. Brown Act.

4. Disclosure of closed session discussions and actions.

a. In accordance with Government Code Section 54963 and as provided below, a person present at a closed session may not disclose confidential information received.

b. In addition to the required disclosures pursuant to Government Code Section 54957.1 and subsection C below, the Council may, by motion and vote in open session, elect to disclose any other information obtained in closed session which a majority of the members of the body deems to be in the public interest. Any disclosure pursuant to this section shall be made through the Mayor or such other person present in the closed session, designated to convey the information.

c. Immediately following the closed session, the Council or City Attorney shall publicly report any action taken in closed session and the vote or abstention of every member present thereon, as follows:

i. Real Property Negotiations: Approval of an agreement concerning real estate negotiations pursuant to Government Code section 54956.8 shall be reported as soon as the agreement is final in accordance with Government Code section 54957.1(a)(1). If notwithstanding the final approval there are conditions precedent to the final consumption of the transaction, or if there are multiple contiguous or closely located properties that are being considered for transfer, the report specified in this section need not be made until the conditions have been satisfied or an agreement has been reached with respect to all the properties, or both.

ii. Litigation: Direction or approval given to the Council's legal counsel to prosecute, defend, seek or refrain from seeking appellate review or relief, or to otherwise enter as a party, intervenor or amicus curiae in any form of litigation as the result of a consultation under Government Code section 54956.9 shall be reported in open session in accordance with Government Code section 54957.1(a)(2).

iii. Settlement: Council approval given to its legal counsel of a settlement of pending litigation, as defined in Government Code section 54956.9, shall be reported in open session after the settlement is final in accordance with Government Code section 54957.1(a)(3).

iv. Personnel Actions: Council action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee shall be reported in open session in accordance with Government Code section 54957.1(a)(5).

v. Labor Negotiations: Council action taken to approve an agreement concluding labor negotiations with represented employees shall be reported in open session in accordance with Government Code section 54957.1(a)(6).

d. Reports required to be made pursuant to this section may be made orally or in writing. Copies of any contracts, settlement agreements, or other documents related to the items or transactions that were finally approved or adopted in closed session and which contain the information required to be disclosed under this section shall be made available for inspection and copying, upon request, at the time the report is made or after any substantive amendments have been retyped into the document.

e. A written summary of the information required to be reported immediately pursuant to this section, or documents containing that information, shall be made available for inspection and copying by the close of business on the next business day following the meeting.

f. Action taken in closed session which is not immediately disclosable under this section shall be disclosed and noticed under the procedures set forth in (C) above at such time as disclosure is required.

5. Violations of Disclosure of Confidential Information

a. A person may not disclose confidential information that has been acquired by being present in a closed session authorized by Government Code Sections 54956.7, 54956.8, 54956.86, 54956.87, 54956.9, 54957,54957.6,54957.8, or 54957.10 to a person not entitled to receive it, unless the Council authorizes disclosure of that confidential information as set forth above.

b. "Confidential Information" means a communication made in a closed session that is specifically related to the basis for the Council to meet lawfully in closed session under the Ralph M. Brown Act.

c. Disclosure of confidential information in violation of the Brown Act may be addressed by the use of such remedies as are currently available by law, including, but not limited to:

i. City Council may by three affirmative votes censure a member of the Council who is disclosing confidential information. Censure may include other penalties, including but not limited to, the removal of the member of the legislative from committees, prohibiting travel of Council Member on official City business, removal of Council Member picture from any public displays, the prohibition of Council Member speaking at any function on the behalf of the Council. The City Council shall review any censure of a Council Member at the first regular Council Meeting after 30 days from the censure.

ii. Direction to City Attorney to refer a member of the Council who has willfully

disclosed confidential information in violation of this section to the District Attorney and/or grand jury.

iii. Direction to City Attorney to file for Injunctive relief against a member of the City Council allegedly disclosing confidential information to prevent further disclosure of confidential information prohibited by this section.

iv. Disciplinary action against the City Manager or City Attorney who has willfully disclosed confidential information in violation of this section.

d. Disciplinary action pursuant to section (c) of subdivision (ii) shall require that the employee in question has either received training as to the requirements of this section or otherwise has been given notice of the requirements of this section.

e. The Council may not take any action authorized by subdivision (c) against a person, nor shall it be deemed a violation of this section, for doing any of the following:

i. Making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the illegality of an action taken by the Council or the potential illegality of an action that has been the subject of deliberation at a closed session if that action were to be taken by the Council.

ii. Expressing an opinion concerning the propriety or legality of actions taken by the Council in closed session, including disclosure of the nature and extent of the illegal or potentially illegal action.

iii. Disclosing information acquired by being present in a closed session under this chapter that is not confidential information.

f. Nothing herein shall be construed to prohibit disclosures under the whistleblower statutes contained in Section 1102.5 of the Labor Code or Article 4.5 (commencing with Section 53296) of Chapter 2 of the Government Code.

6. Procedures for Censure of a Council Member

Any member of the City Council may request to place on a future agenda, a censure hearing of a Council Member. The request must include specific allegations of conduct in violation of federal,

state or City ordinances or policies upon which the proposed censure is based. If at least one (1) additional Council Member supports the request, direction shall be given to City Manager to calendar the item for a future agenda or Council shall appoint an ad hoc committee to investigate the charges.

If a majority of the Council determines an investigation is warranted, Council shall designate an ad hoc committee consisting of two of its members, including the Mayor (unless the Mayor is the subject of the charges in which case the Mayor Pro Tem shall be appointed), to conduct the investigation. The Council may select an independent investigator to assist in conducting the investigation. The independent investigator would be managed by the ad hoc committee to conduct the investigation.

In the course of the investigation, the committee must determine the process by which statements are taken. A witness may choose to provide a signed declaration under penalty of perjury attesting to his or her knowledge of the facts surrounding the allegations. If a witness is unwilling to submit such a declaration, the Council may issue a subpoena to compel the witness' testimony, consistent with its subpoena power granted under the Government Code.

At the conclusion of the investigation, the results shall be presented in writing to the full Council. Based on the results, any two individual Council members may file a request for censure hearing in accordance with the provisions of this policy.

a. The following guidelines apply to ad hoc committee investigations:

i. The committee may be staffed by administrative and legal staff.

ii. If authorized by City Council, the committee may subpoena witnesses and documents.

iii. In making a determination, the committee should determine if taking all the facts and evidence into consideration, there are reasonable grounds to believe or not believe that the conduct, violation, or offense occurred.

iv. The committee shall issue a final report and recommendations to the City Council. The final report shall be made available to the public.

b. If a censure hearing is set, it must be set far enough in advance to give the member of Council subject to the charges adequate time to prepare a defense, and that member shall be given the opportunity to make an opening and closing statement and to question his or her accusers. The member subject to the charges may be represented and may have the representative speak or question on his or her behalf. The Mayor, or Mayor Pro Tem if the Mayor is the subject of the charges, shall preside at the hearing. The rules of evidence shall not apply to the hearing, which is not a formal adversarial proceeding. The City Attorney or designee shall provide legal advice to the City Council during the hearing.

A decision to censure requires the adoption of a Resolution making findings with regard to the specific charges, based on substantial evidence, and approved by the affirmative vote of at least three (3) Council Members

In accordance with Government Code section 995, upon request of a Council Member, the City shall reimburse the Council Member's reasonable attorney fees and costs in defending himself/herself.

VII. POLICY DECISION MAKING PROCESSES

1. **Mayor and Mayor Pro Tem Term of Office** - The Mayor and Mayor Pro-Tem shall serve a (1) one-year term of office. Pursuant to City Code section 2.05.050(A) The city council shall, at its first meeting, select a mayor and mayor pro tempore.

2. **Subcommittees** - City Council subcommittees are formed on an as needed basis with a clearly defined purpose and term. Subcommittees will consist of two Councilmembers agreed upon by a consensus of the Council. Meetings of the Council subcommittees are not open to the public, unless specified by the Council.

3. **Councilmember Appointments & Assignments** - The City Council at their December meeting of each year shall discuss and make appointments and assignments to various boards and commissions and then will vote and approve the final list. A copy of the list is made a part of the public record and kept on file in the City Clerk's Office.

3. **Mayor to Act as Council Ceremonial Representative** - The Mayor has been delegated the responsibility to act as the City Council's ceremonial representative at public events and functions. In the Mayor's absence, the Mayor Pro Tem assumes this responsibility. In both the Mayor and Mayor Pro Tem's absence, the Mayor will appoint another Councilmember to assume this responsibility. The Mayor may use the Council's Meetings and Travel Budget to pay for such functions.

4. **Councilmember Participation in Community Activities** - From time to time, Councilmembers

may choose to participate in community activities, committees, events, and task forces. This is allowable under the Brown Act. *The Brown Act permits a majority of a legislative body to attend and speak at an open and publicized meeting conducted by another organization. The Brown Act may nevertheless be violated if the majority engages in a collective deliberation process outside a scheduled meeting of the body. The term meeting is not limited to gatherings at which action is taken but also includes deliberative gatherings.*

5. **Workshops** – A workshop is a time to study or examine a particular issue in greater depth and to allow additional time for questions. A workshop may be held during a regular or special meeting and generally no formal action will be taken on workshop items or during a workshop. Questions raised during workshops by Councilmembers and/or members of the public will be directed to staff. Staff may request a brief recess in order to provide verbal answers not readily available, or, the information may be provided to the Council at the time the item is placed back on the agenda for further discussion and action.

6. **City Attorney as Protocol Advisor** – The City Attorney assists the Mayor as a resource to confer with and an advisor for interpreting the City Council's adopted protocols.

7. **Applicability of Protocols** - The City of South Lake Tahoe City Council Protocols shall also apply to the City Council when sitting as other entities or agencies.

8. **Conflicts of Interest** – No Councilmember shall make, participate in making, or in any way attempt to use his or her official position to influence a decision on any issue when prohibited from so doing by law. A Councilmember disqualified from participation due to a conflict of interest shall not be considered present at the meeting for the item(s) of business on which such member is disqualified.

References: Ralph M. Brown Act
Rosenberg's Rules of Order

CITY COUNCIL TRAVEL

The City's adopted Financial Management Meeting and Travel Policy, primarily provided policies for travel and reimbursements for City employees that were inconsistently applied to City Councilmembers. The policy did not consider Councilmembers' occasional travel, each individual Councilmembers decisions on travel and meeting attendance. The following guidelines are recommendations for City Council considerations:

a. **Approving Official:** The Mayor shall be the City Manager's Approving Official for Travel and Reimbursement Requests. The Mayor shall be the Approving Official for City Councilmember Travel and Reimbursement Requests**.**
b. **General Travel on Behalf of the City:** Councilmembers traveling on behalf of the City expecting reimbursement of expenses must first obtain approval of the travel by the City Council and coordinate their travel through the City Clerk's Office who will generally charge all expenses to the City (rather than reimburse Councilmembers). As noted in the policy any unused reservation will be paid for by the Councilmember. The City Clerk will make reservations based on the City's Travel Policy. Councilmembers who wish to upgrade rooms or flights will be responsible for providing a personal credit card for the additional charges. Personal travel added to business trips will not be reimbursed.
c. **Councilmembers appointed by the City Council to serve on a committee or board on behalf of the City or as a representative of the City:** Councilmembers shall be entitled to reimbursement for mileage and meals for meetings outside of Lake Tahoe Basin in accordance with the adopted Travel Policy. Councilmembers may be request reimbursement for one overnight stay for a meeting more than two

hours away from South Lake Tahoe.

d. **Councilmembers serving on a committee or board of their own choosing:** Councilmembers may request reimbursement for travel expenses from the City Council.
e. **Conferences/Professional Events:** Councilmembers who wish to attend a conference or professional event related to their work as a public official shall request approval of their travel in advance by the City Council at a regular Council meeting. The City Clerk shall place the request on the next available Council agenda.
f. **Miscellaneous expenses:** Councilmembers may request reimbursement from the City Council for miscellaneous expenses related to their work as a City Councilmember that could include, but are not limited to, representing the City's interests at organized activities, events, meetings and formal and informal gatherings.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: December 12, 2023

Agenda Item #: 19

Agenda Item: Agenda Planning Calendar

Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.

Responsible Staff Member: Joseph Irvin, City Manager

Reviewed and Approved By: Susan Blankenship, City Clerk

Attachments:

APC - 12 06 2023.pdf

2023 Agenda Planning Calendar (Updated 12 06 2023)

Department		Agenda Item	Agenda Section
Jan 9, 9 a.m.	**City Manager**	Tahoe Fund Grant Program to Support LakeLink Electrification	Consent
		Inventory of vacant/underutilized sites	NB
	Dev Serv	TCAP/TVAP Updates	NB
		CDBG Grant Amendment for Bear's Den	Consent
		Lease to Locals/Housing Wait List-Quartly Report	NB
		Employee Housing Ordinance	NB
	Finance	Transfer of Unclaimed Check Funds	Consent
	Fire	Type lll Brush Engine Purchase	Consent
	HR	PEA Final Union MOU	Consent
Jan 23, 5:30 p.m.	**City Manager**	CivicSpark Fellow for 2024-25 Service Year	NB
	City Attorney	ADA Transition Plan update	NB
		Increase to VHR Citation amount	NB
	Dev Services	Tentative Sub Map Ext for 3708 Lake Tahoe Blvd and 3709 Osgood Ave	NB
Feb. 13, 9 a.m.	**City Manager**	Grant Acceptance from CalTrans TRPA CRP	
		Cannabis Revenues Grant Program Discussion	NB

2023 Agenda Planning Calendar (Updated 12 06 2023)

	Dev Services	Rental Registry	NB
Feb. 27, 5:30 p.m.	**Finance**	2023-2024 Master Fee Schedule	PH
		Quarterly Budget & Financial Dtatus Report as of 12/2023	Consent
		Investment Portfolio Report as of 12/2023	Consent
Mar 12, 9 a.m.	**City Attny**	Shared Mobility Device Ordinance (First Reading)	PH
	Dev Services	ADU Units Pre-approved Designs and Products No Approval Requirement	NB
		VHR TAU Requirement Discussion	NB
	Finance	Fiscal Year 2023-2024 Mid-Year Budget Review	NB
Mar 26, 5:30 p.m.	**Finance**	2023-2024 Master Fee Schedule	Consent
		Ski Run BID Annual Report and Budget	NB
April 23, 5:30 P.m.	**City Manager**	Heavenly Parking Agreement	UB
		Electric Vehicle Charging Contract	NB
		Minumum Wage Discussion	NB
	Dev Services	Disc.: Motel 6 & Sunray Affordable Housing Options: Inc. Parcel Asses.	
	Finance	2023 Annual Comprehensive Financeial Report	Consent
May 7, 9 a.m.	**Finance**	Ski Run BID to Levy Assessment for Business License Year 2024/2025	PH

2023 Agenda Planning Calendar (Updated 12 06 2023)

May 21, 5:30 p.m.	**Finance**	Quarterly Budget and Financial Status Report as of March 2024	Consent
		Investment Portfolio Report report as of March 2024	Consent
June 4, 9 a.m.	**City Manager**	Grant Acceptance from Tahoe Water Suppliers Association	
June 18, 5:30 p.m.	**City Clerk**	Resolution Calling for Consolidated Election - Candidates & Measures	
***CC/STRSA**			
	Finance	Direct Charge of Mello-Roos Special Tax for CFD 1995-1 for FY 24-25	Consent
		Annual Special Tax for CFD 2001-1 Series 2015 Refunding Bonds for FY 24-25	STRSA Consent
Unscheduled/Pending			
	City Attorney		
	City Clerk	Records Management Policy (Updated)	
	City Manager	Comprehensive Energy Services Contract	
		Municipalization of Electric Utility - Feasability Analysis	
	Dev Services	REACH Code Adoption	
		One-Year Results of Inclusionary Housing Ordinance (December 31, 2024)	
		Res. Area Plan to Accommodate SB9 and Remove Tourist Accomodation	
		City/CTC land exchange agreement	
		Radon Presentation by Jeff Minor	

2023 Agenda Planning Calendar (Updated 12 06 2023)

	Building Code Appendix AW adoption-3D printed structures
	Discussion: Second Home Cap/Permit Options (9/2024)
Finance	
Fire	Type 3 Fire Engine Purchase
Parks & Rec	Assessment on LOS prior to 2018
	Lifeguard Mid-Year Budget 23-24 Analysis
	Bijou Golf Course "Rock the Lake" Event and Review