

Amended Agenda

**HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HOUSING AUTHORITY
COMMUNITY DEVELOPMENT COMMISSION
WATER DISTRICT**

Green Sheet - Item of existing litigation added to closed session after posting of the agenda.



Meeting Agenda

Tuesday, November 5, 2024

Closed Session - 5:30 PM

Regular Meeting - 6:30PM

**City Council Chambers
9700 Seventh Ave., Hesperia CA, 92345
City Clerk's Office: (760) 947-1007**

City Council Members

**Larry Bird, Mayor
Rebekah Swanson, Mayor Pro Tem
Brigit Bennington, Council Member
Cameron Gregg, Council Member
Allison Lee, Council Member**

**Rachel Molina, City Manager
Pam K. Lee, City Attorney**



NOTE: In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 947-1007 or (760) 947-1026. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

To leave a Public Comment by phone, call and leave a recorded message at (760) 947-1056 up to 5:30 pm on the day of the scheduled meeting. City Council meetings may be viewed live or after the event on the City's website at www.cityofhesperia.us.

Green Sheet - Item of existing litigation added to closed session after posting of the agenda.

City Council

Meeting Agenda

November 5, 2024

**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA WATER DISTRICT**

9700 7th Avenue, Council Chambers, Hesperia, CA 92345

As a courtesy, please silence your cell phones and other electronic devices while the meeting is in session. Thank you.

Prior to action of the Council, any member of the audience will have the opportunity to address the legislative body on any item listed on the agenda, including those on the Consent Calendar.

Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.

CLOSED SESSION - 5:30 PM

Roll Call

*Mayor Larry Bird
Mayor Pro Tem Rebekah Swanson
Council Member Brigit Bennington
Council Member Cameron Gregg
Council Member Allison Lee*

Conference with Legal Counsel - Existing Litigation:

Government Code Section 54956.9(d)1

1. County of San Bernardino v. City of Hesperia, San Bernardino Superior Court Case No. CIV SB 2209965

Conference with Legal Counsel - Potential Litigation:

Government Code Section 54956.9(d)2

1. One (1) Case

Conference with Real Property Negotiators – Property Negotiations

Government Code Section – 54956.8

1. Negotiating Parties: City of Hesperia and Faith Lutheran Church of Hesperia
Location: APN: 0413-031-05
Under Negotiations: Price & Terms

CALL TO ORDER - 6:30 PM

A. Invocation

B. Pledge of Allegiance to the Flag

**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA WATER DISTRICT**

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Mayor Pro Tem Rebekah Swanson
Council Member Brigit Bennington
Council Member Cameron Gregg
Council Member Allison Lee*

Conference with Legal Counsel - Potential Litigation:
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1. One (1) Case

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- A. Invocation
- B. Pledge of Allegiance to the Flag

C. Roll Call

Mayor Larry Bird
Mayor Pro Tem Rebekah Swanson
Council Member Brigit Bennington
Council Member Cameron Gregg
Council Member Allison Lee

D. Agenda Revisions and Announcements by City Clerk**E. Closed Session Reports by City Attorney****ANNOUNCEMENTS/PRESENTATIONS**

1. Presentation of Certificates of Recognition to the Hesperia Christian Patriots Softball team for being named D8 Champions

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

Individuals wishing to speak during General Public Comments or on a particular numbered item are requested to submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the joint agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

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JOINT CONSENT CALENDAR

1. Page 7 Consideration of the Draft Minutes from the Regular Meeting held Tuesday, October 15, 2024.

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, October 15, 2024.

Staff Person: Assistant City Clerk Erin Baum

Attachments: [Draft CC Min 2024-10-15](#)

2. Page 13 Consideration of the Draft Minutes from the Special Meeting held Tuesday, October 15, 2024.

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Special Meeting held Tuesday, October 15, 2024.

Staff Person: Assistant City Clerk Erin Baum

Attachments: [Draft Special CC Min 2024-10-15](#)

3. Page 15 Consideration of the Draft Minutes from the Special Meeting held Tuesday, October 22, 2024.

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Special Meeting held Tuesday, October 22, 2024

Staff Person: Assistant City Clerk Erin Baum

Attachments: [Draft Special CC Min 2024-10-22](#)

4. Page 17 Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Water)

Recommended Action:

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

Staff Person: Assistant City Manager Casey Brooksher

Attachments: [SR Warrant Run 11-5-2024](#)

[Attachment 1 - Warrant Run](#)

5. Page 19 Treasurer's Cash Report for the unaudited period ending July 31, 2024 and an updated Treasurer's Cash Report for the unaudited period ending June 30, 2024.

Recommended Action:

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

Staff Person: Assistant City Manager Casey Brooksher

Attachments: [SR Treasurer's Report 11-5-2024](#)

[Attachments 1-5 - July 2024 Treasurer Reports](#)

[Attachments 6-10 - June 2024 Treasurer Reports](#)

6. Page 37 American Rescue Plan Act (ARPA) Grant - Tamarisk Storm Water Basin Rehabilitation

Recommended Action:

It is recommended that the City Council authorize the City Manager to award a contract with H L Hitchcock Construction to rehabilitate the Tamarisk Storm Water Basin to its original design in the amount of \$ 602,650 and approve an additional 10% contingency in the amount of \$60,265 for a not-to-exceed amount of \$662,915.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR Tamarisk Storm Water Basin 11-5-2024](#)

7. Page 39 American Rescue Plan Act (ARPA) Grant Contract Services - Leak Analysis

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into an agreement with ASTERRA for the satellite scan of the City's water distribution system to identify non-apparent leaks, in the not-to-exceed amount of \$350,000, which includes a contingency of \$30,000.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR ARPA Grant Contract Services - Leak Analysis 11-5-2024](#)

8. Page 41 American Rescue Plan Act (ARPA) Grant Equipment Procurement - Closed Circuit Television Truck

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into an agreement with Plumbers Depot for the purchase of one (1) closed-circuit television (CCTV) inspection vehicle in the not-to-exceed amount of \$481,008.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR ARPA Grant Closed Circuit Television Truck 11-5-2024](#)

9. Page 43 American Rescue Plan Act (ARPA) Grant Service Line Replacement Project

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into an agreement with Weka Inc. for the replacement of water service lines in the not-to-exceed amount of \$7,731,407, which includes a 10% contingency.

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR ARPA Grant Service Line Replacement Project 11-5-2024](#)

10. Page 45 Final Tract Map No. 20648-2

Recommended Action:

It is recommended that the City Council adopt Resolution No. 2024-56 approving Final Map No. 20648-2 to create 4 additional residential lots in addition to the 20 residential lots and 1 homeowners association (HOA) community lot with a remainder parcel previously approved on Final Map 20648-1 on approximately 15.61 gross acres to develop a portion of Tract 18989-1 Lot 26, Planning Area 17 of the Tapestry Specific Plan (Applicant: Silverwood Development Phase I, LLC).

Staff Person: Director of Public Works/City Engineer Cassandra Sanchez

Attachments: [SR Final Tract Map 20648-2 11-5-2024](#)
[Resolution 2024-56](#)
[Attachment 2 - Final Tract Map 20648-2](#)

CONSENT ORDINANCES

WAIVE READING OF ORDINANCES

Approve the reading by title of all ordinances and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

11. Page 51 Amendments to Chapter 5.50 of the Hesperia Municipal Code Related to Medical Cannabis Business Licenses

Recommended Action:

Place on second reading and adopt by title waiving the text of Ordinance No. 2024-12 amending Chapter 5.50 of the Hesperia Municipal Code relating to medical cannabis business licenses.

Staff Person: City Attorney Pam K. Lee

Attachments: [SR Cannabis Business Licenses 10-15-2024](#)
[Ordinance 2024-12](#)
[Attachment 2 - Exhibit A](#)

COUNCIL COMMITTEE REPORTS AND COMMENTS

The Council may report on their activities as appointed representatives of the City on various Boards and Committees and/or may make comments of general interest or report on their activities as a representative of the City.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

The City Manager, City Attorney or staff may make announcements or reports concerning items of interest to the Council and the public.

ADJOURNMENT

I, Erin Baum, Assistant City Clerk of the City of Hesperia, California do hereby certify that I caused to be posted the foregoing agenda on Wednesday, October 30, 2024 at 5:30 p.m. pursuant to California Government Code §54954.2.

Erin Baum,
Assistant City Clerk

Documents produced by the City and distributed less than 72 hours prior to the meeting regarding items on the agenda will be made available in the City Clerk's Office during normal business hours.

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City of Hesperia Meeting Minutes - Draft City Council

City Council Chambers
9700 Seventh Ave.
Hesperia CA, 92345

Tuesday, October 15, 2024

6:30 PM

**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA FIRE PROTECTION DISTRICT
HESPERIA WATER DISTRICT**

CLOSED SESSION - 6:00 PM

Roll Call

Present: 5 - Mayor Bird, Mayor Pro Tem Swanson, Council Member Gregg,
Council Member Bennington and Council Member Lee

Conference with Legal Counsel – Existing Litigation: Government Code Section 54956.9(d)1

1. General Liability Settlement: Billings, et al. v. City of Hesperia, et al. Claim No. HS2042
2. *County of San Bernardino v. City of Hesperia*, San Bernardino Superior Court Case No. CIV SB 2209965

CALL TO ORDER - 6:30 PM

A. Invocation

B. Pledge of Allegiance to the Flag

C. Roll Call

Present: 5 - Mayor Bird, Mayor Pro Tem Swanson, Council Member Gregg,
Council Member Bennington and Council Member Lee

D. Agenda Revisions and Announcements by City Clerk

E. Closed Session Reports by City Attorney

ANNOUNCEMENTS/PRESENTATIONS

Presentation by Victor Valley Transit Authority on Route Changes

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

The following individuals spoke during public comment.

Bob Nelson

Kim Jones

Lynn Litchfield

Yolette Rios

Gina Whelan

Susan Garcia

Stephanie James

Robert Davie

Bill Jensen

Angel (via voicemail)

Jeri Pike (via voicemail)

JOINT CONSENT CALENDAR

A motion was made by Swanson, seconded by Gregg, that the Joint Consent Calendar be approved. The motion carried by the following vote:

Aye: 5 - Bird, Swanson, Gregg, Bennington, and Lee

Nay: 0

1. Consideration of the Draft Minutes from the Regular Meeting held Tuesday, October 1, 2024.

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, October 1, 2024.

Sponsors: Assistant City Clerk Erin Baum

2. Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Water)]

Recommended Action:

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

Sponsors: Assistant City Manager Casey Brooksher

3. American Rescue Plan Act (ARPA) Grant Vehicle Procurement - (1) Combination Truck

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into an agreement with Haaker Equipment Company for the purchase of one

(1) 2025 Vactor Freightliner 2112 in the not-to-exceed amount of \$711,716.

Sponsors: Director of Public Works/City Engineer Cassandra Sanchez

4. American Rescue Plan Act (ARPA) Grant Equipment Procurement - One Wheel Loader

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into an agreement with Sonsray Machinery, LLC. for the purchase of one (1) 2024 Case 621G wheel loader in the not-to-exceed amount of \$201,360.

Sponsors: Director of Public Works/City Engineer Cassandra Sanchez

5. American Rescue Plan Act (ARPA) Grant - Citywide Sidewalk Repair

Recommended Action:

It is recommended that the City Council authorize the City Manager to enter into an agreement with H L Hitchcock Construction to repair or replace sidewalks in seventeen (17) locations citywide in the amount of \$109,190 and approve an additional 10% contingency of \$10,919 for a not-to-exceed amount of \$120,109.

Sponsors: Director of Public Works/City Engineer Cassandra Sanchez

6. American Rescue Plan Act (ARPA) Grant Equipment Procurement - Sixteen Chlorinators

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into an agreement with Doane and Hartwig Water Systems for the purchase of sixteen (16) Constant Chlor MC-4 chlorinators in the not-to-exceed amount of \$260,939.

Sponsors: Director of Public Works/City Engineer Cassandra Sanchez

7. Public Works Asset Management Software (Cityworks)

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District (District) authorize the City Manager to enter into a two-year software license and maintenance agreement with Azteca Systems, Inc. in a not-to-exceed amount of \$121,700.

Sponsors: Director of Public Works/City Engineer Cassandra Sanchez

8. Adopt Measure I Five Year Capital Project Needs Analysis for Fiscal Years 2025/26 through 2029/30

Recommended Action:

It is recommended that the Mayor and Council Members adopt Resolution No. 2024-49 approving the Measure I Five-Year Capital Project Needs Analysis submittal to the San Bernardino County Transportation Authority (SBCTA) for Fiscal Years 2025/26 through 2029/30.

Sponsors: Director of Public Works/City Engineer Cassandra Sanchez

PUBLIC HEARING

9. Amendments to Chapter 5.50 of the Hesperia Municipal Code Related to Medical Cannabis Business Licenses

Recommended Action:

It is recommended that the City Council introduce and place on first reading Ordinance No. 2024-12 amending Chapter 5.50 of the Hesperia Municipal Code relating to medical cannabis business licenses.

Sponsors: City Attorney Pam K. Lee

Robert Davie spoke during the public hearing.

A motion was made by Gregg, seconded by Bennington, that this item be approved. The motion carried by the following vote:

Aye: 5 - Bird, Swanson, Gregg, Bennington, and Lee

Nay: 0

NEW BUSINESS

10. Proposition 36 - Homelessness, Drug Addiction, and Theft Reduction Act

Recommended Action:

It is recommended that the City Council consider adopting Resolution No. 2024-53, supporting Proposition 36 - the Homelessness, Drug Addiction, and Theft Reduction Act.

Sponsors: Assistant to the City Manager Tammy Pelayes

A motion was made by Swanson, seconded by Gregg, that this item be approved. The motion carried by the following vote:

Aye: 5 - Bird, Swanson, Gregg, Bennington, and Lee

Nay: 0

11. City of Hesperia Community Facilities District 2005-1 (Belgate Development Restructuring), County of San Bernardino, State of California Special Tax Refunding Bonds, Series 2024

Recommended Action:

For the purpose of achieving debt service savings that can be passed through to taxpayers, it is recommended that the City Council adopt Resolution No. 2024-52, authorizing the issuance of the City of Hesperia Community Facilities District 2005-1 (Belgate Development Restructuring), County of San Bernardino, State of California Special Tax Refunding Bonds, Series 2024 (the "Bonds") to refinance outstanding bonds and approving all related documents and actions.

Sponsors: Assistant City Manager Casey Brooksher

A motion was made by Lee, seconded by Swanson, that this item be approved. The motion carried by the following vote:

Aye: 5 - Bird, Swanson, Gregg, Bennington, and Lee

Nay: 0

COUNCIL COMMITTEE REPORTS AND COMMENTS

The Mayor, Mayor Pro Tem, and Council Members reported from various events and Committees.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

None.

ADJOURNMENT

The meeting was adjourned in honor of Carly Bennington's 22nd birthday at 8:08 p.m.

*Erin Baum,
Assistant City Clerk*

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City of Hesperia Meeting Minutes - Draft Strategic Planning Workshop

Police Community Room
15840 Smoke Tree St.
Hesperia CA, 92345

Wednesday, October 15, 2024

1:30 PM

**SPECIAL MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION**

15840 Smoke Tree St., Community Room, Hesperia, CA 92345

CALL TO ORDER - 1:30 PM

A. Roll Call

Present: 5 - Mayor Bird, Mayor Pro Tem Swanson, Council Member Gregg,
Council Member Bennington and Council Member Lee

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

There were no public comments.

NEW BUSINESS

1. Strategic Planning Workshop
Sponsors: Rachel Molina, City Manager

ADJOURNMENT

The meeting was adjourned at 4:11 p.m.

Erin Baum,
Assistant City Clerk

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City of Hesperia Meeting Minutes - Draft State of the City Address

Marriott Courtyard Ballroom
9619 Mariposa Rd.
Hesperia CA, 92345

Tuesday, October 22, 2024

11:00 AM

**SPECIAL MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION**

9619 Mariposa Rd, Marriott Courtyard Ballroom, Hesperia, CA 92345

CALL TO ORDER – 12:02 PM

A. Roll Call

Present: 5 - Mayor Bird, Mayor Pro Tem Swanson, Council Member Gregg,
Council Member Bennington and Council Member Lee

ANNOUNCEMENTS/PRESENTATIONS

1. Chamber of Commerce Update

NEW BUSINESS

1. State of the City Address by the Mayor

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

There were no public comments.

ADJOURNMENT

The meeting was adjourned at 1:33 p.m.

*Erin Baum,
Assistant City Clerk*

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City of Hesperia STAFF REPORT



DATE: November 5, 2024

TO: Mayor and Council Members
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency
Chair and Commissioners, Hesperia Housing Authority
Chair and Commissioners, Community Development Commission
Chair and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager
Anne Duke, Deputy Finance Director
Shirley Domacio Calderon, Accountant

SUBJECT: Warrant Run Report (City – Successor Agency – Housing Authority – Community Development Commission – Water)

RECOMMENDED ACTION

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

BACKGROUND

The Warrant Run totals represented below are for the period September 21, 2024, through October 04, 2024.

<u>Agency/District</u>	<u>Accounts Payable</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$1,612,192.44	\$309,876.74	\$0.00	\$1,922,069.18
Successor Agency	0.00	0.00	0.00	0.00
Housing Authority	1,017.20	205.85	0.00	1,223.05
Community Development Commission	0.00	0.00	0.00	0.00
Water	2,010,736.95	151,334.49	0.00	2,162,071.44
Totals	\$3,623,946.59	\$461,417.08	\$0.00	\$4,085,363.67

* Includes debt service payments made via Automated Clearing House (ACH) electronic deposit of funds.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health – Maintain a balanced budget and adequate reserves.

ATTACHMENT(S)

1. Warrant Runs

City of Hesperia
WARRANT RUNS
09/21/2024-10/04/2024

FUND #	FUND NAME	W/E		WARRANT TOTALS	Wires	YEAR-TO	PRIOR FY YTD
		9/27/2024	10/4/2024			DATE	DATE
						TOTALS *	TOTALS
Accounts Payable							
100	GENERAL	\$ 105,415.00	\$ 70,320.90	\$ 175,735.90	\$ -	\$ 12,402,853.74	\$ 11,203,320.69
105	PENSION OBLIGATION TRUST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	OPEB TRUST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
110	SILVERWOOD	\$ -	\$ -	\$ -	\$ -	\$ 6,617.66	\$ -
200	HESPERIA FIRE DISTRICT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
204	MEASURE I - RENEWAL	\$ -	\$ -	\$ -	\$ -	\$ 12,615.41	\$ 405,842.73
207	LOCAL TRANSPORT-SB 325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922,727.40
209	GAS TAX-RMRA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
210	HFPD (PERS)	\$ -	\$ -	\$ -	\$ -	\$ 1,755,819.00	\$ 907,316.00
251	CDBG	\$ -	\$ -	\$ -	\$ -	\$ 241,353.78	\$ 186,979.73
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
255	AB3229 SUPPLEMENTAL LAW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
256	ENVIRONMENTAL PROGRAMS GRANT	\$ 1.50	\$ -	\$ 1.50	\$ -	\$ 19,287.16	\$ 5,017.75
262	SB 1383 LOCAL ASSISTANCE GRANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
263	STREETS MAINTENANCE	\$ 87,461.23	\$ 1,631.12	\$ 89,092.35	\$ -	\$ 598,936.59	\$ 784,795.63
300	DEV. IMPACT FEES - STREET	\$ -	\$ -	\$ -	\$ -	\$ 22,388.61	\$ 3,600.00
301	DEV. IMPACT FEES - STORM DRAIN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303	DEV. IMPACT FEES - POLICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
304	DEV. IMPACT FEES - PUBLIC WKS.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
306	DEV. IMPACT FEES - 2018-STREETS	\$ -	\$ -	\$ -	\$ -	\$ 500,205.04	\$ 1,050,601.98
312	DIF 2018-POLICE FACILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
313	DIF A-04 DRAINAGE	\$ -	\$ -	\$ -	\$ -	\$ 498.79	\$ 317,748.35
402	WATER RIGHTS ACQUISITION	\$ 1,110,410.40	\$ -	\$ 1,110,410.40	\$ -	\$ 1,110,410.40	\$ 1,105,238.08
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 568,901.39
404	2023 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504	CITY WIDE STREETS - CIP	\$ -	\$ -	\$ -	\$ -	\$ 2,593,680.82	\$ 3,230,902.12
509	CITY FACILITIES CIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
800	EMPLOYEE BENEFITS	\$ 29,123.12	\$ 202,877.53	\$ 232,000.65	\$ -	\$ 2,710,581.60	\$ 2,393,423.03
801	TRUST/AGENCY	\$ 2,951.64	\$ -	\$ 2,951.64	\$ -	\$ 468,224.80	\$ 310,113.05
802	AD 91-1 AGENCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
804	TRUST-INTEREST BEARING	\$ -	\$ -	\$ -	\$ -	\$ 41,105.51	\$ 97,818.90
807	CFD 2005-1	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -	\$ 1,018,250.47	\$ 982,734.24
808	HFPD (TRANSITION)	\$ -	\$ -	\$ -	\$ -	\$ 317,435.02	\$ 347,796.19
815	PLAN REVIEW TRUST - FRONTIER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CITY	\$ 1,337,362.89	\$ 274,829.55	\$ 1,612,192.44	\$ -	\$ 23,820,264.40	\$ 24,824,877.26
163	REDEVELOP OBLIG RETIREMENT-2018	\$ -	\$ -	\$ -	\$ -	\$ 7,922,197.73	\$ 8,076,933.89
	SUCCESSOR AGENCY	\$ -	\$ -	\$ -	\$ -	\$ 7,922,197.73	\$ 8,076,933.89
370	HOUSING AUTHORITY	\$ 1,017.20	\$ -	\$ 1,017.20	\$ -	\$ 4,694.17	\$ 4,122.44
	HOUSING AUTHORITY	\$ 1,017.20	\$ -	\$ 1,017.20	\$ -	\$ 4,694.17	\$ 4,122.44
170	COMMUNITY DEVELOPMENT COMMISSION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	COMMUNITY DEVELOPMENT COMMISSION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
700	WATER OPERATING	\$ 164,495.47	\$ 362,244.95	\$ 526,740.42	\$ -	\$ 3,264,692.11	\$ 3,411,848.32
705	WATER PENSION OBLIGATION TRUST	\$ 750,000.00	\$ -	\$ 750,000.00	\$ -	\$ 750,000.00	\$ -
701	WATER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 16,473.00	\$ 298,109.99
710	SEWER OPERATING	\$ 724,383.80	\$ 6,138.84	\$ 730,522.64	\$ -	\$ 1,970,133.86	\$ 1,651,646.14
711	SEWER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 931,759.89	\$ 525,100.10
720	RECLAIMED WATER OPERATIONS	\$ 3,473.89	\$ -	\$ 3,473.89	\$ -	\$ 24,508.13	\$ 10,649.56
	WATER	\$ 1,642,353.16	\$ 368,383.79	\$ 2,010,736.95	\$ -	\$ 6,957,566.99	\$ 5,897,354.11
	ACCOUNTS PAYABLE TOTAL	\$ 2,980,733.25	\$ 643,213.34	\$ 3,623,946.59	\$ -	\$ 38,704,723.29	\$ 38,803,287.70
REG. PAYROLL							
	City	\$ 309,876.74	\$ -	\$ 309,876.74	\$ -	\$ 2,186,354.72	\$ 2,111,540.73
	Housing Authority	\$ 205.85	\$ -	\$ 205.85	\$ -	\$ 1,619.75	\$ 1,390.01
	Water	\$ 151,334.49	\$ -	\$ 151,334.49	\$ -	\$ 1,074,813.07	\$ 925,317.99
	PAYROLL TOTAL	\$ 461,417.08	\$ -	\$ 461,417.08	\$ -	\$ 3,262,787.54	\$ 3,038,248.73

*No payments were issued on July 1, 2023.

City of Hesperia STAFF REPORT



DATE: November 5, 2024

TO: Mayor and Council Members
City Council, Serving as Successor Agency to the Hesperia
Community Redevelopment Agency
Chair and Commissioners, Hesperia Housing Authority
Chair and Commissioners, Community Development Commission
Chair and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager
Anne Duke, Deputy Finance Director
Cristina Hall, Accountant

SUBJECT: Treasurer's Cash Report for the unaudited period ending July 31, 2024, and an updated Treasurer's Cash Report for the unaudited period ended June 30, 2024.

RECOMMENDED ACTION

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, and Water District.

BACKGROUND

This report is presented to the City Council pursuant to Government Code Section 53646 (b) setting forth the City's investment portfolio.

ISSUES/ANALYSIS

The Treasurer's Cash Reports are presented on the following pages for each agency.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health – Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

These reports reflect unaudited cash balances as of July 31, 2024, and an update to the June 30, 2024, Treasurer's Report for additional entries made during the year-end closing process.

ALTERNATIVE(S)

Provide alternative direction to staff.

ATTACHMENT(S)

1. City of Hesperia Investment Report – Unaudited Period Ending July 31, 2024.
2. Successor Agency to the Hesperia Community Redevelopment Agency Investment Report – Unaudited Period Ending July 31, 2024.

3. Hesperia Housing Authority Investment Report – Unaudited Period Ending July 31, 2024.
4. Community Development Commission Investment Report - Unaudited Period Ending July 31, 2024.
5. Hesperia Water District Investment Report - Unaudited Period Ending July 31, 2024.
6. City of Hesperia Investment Report – Revised Unaudited Period Ending June 30, 2024.
7. Successor Agency to the Hesperia Community Redevelopment Agency Investment Report – Revised Unaudited Period Ending June 30, 2024.
8. Hesperia Housing Authority Investment Report – Revised Unaudited Period Ending June 30, 2024.
9. Community Development Commission Investment Report – Revised Unaudited Period Ending June 30, 2024.
10. Hesperia Water District Investment Report – Revised Unaudited Period Ending June 30, 2024.

CITY OF HESPERIA
Unaudited Period Ending July 31, 2024

<u>FUND</u>	<u>VALUE</u>
General Fund (100 & 800)	24,756,147.38
Pension Obligation Trust (105)	79,911.60
OPEB Trust (106)	-
HFPD (PERS) (210)	470,761.99
CFD 2021-1 Resid Maint & Serv	429.13
CFD 2022-1 Non-Resid Maint & Serv	429.13
CFD 2023-1 Silverwood Maint	475.00
AB27666 - Transit (254)	25,396.85
AB3229 Supplemental Law (255)	289,069.23
AD No. 91-1 (802)	395,619.81
Beverage Recycling Grant (256)	288,609.69
CFD 2005-1 (807)	1,941,322.90
HFPD Transition (808)	317,435.02
City Wide-Capital Projects (504)	(11,701,922.35)
Community Dev Block Grant (251, 252, & 253)	3,234,127.60
American Rescue Plan Grant (261)	24,801,087.49
SB 1383 Local Assistance Grant (262)	347,949.57
Development Impact Fund (300-304)	5,318,145.37
Development Impact Fund 2018 (306-312)	23,492,301.78
Development Impact Fund A-04 Drainage (313)	1,594,980.23
Disaster (260)	61,512.85
Gas Tax Fund (205)	2,006,781.60
Gas Tax - RMRA (209)	7,711,237.48
Gas Tax Swap (206)	1,541,201.29
Local Transportation SB325 (207)	1,745,772.50
Measure I - Renewal (204)	12,220,508.11
Public Works Street Maint (263)	617,512.46
Public Art (230)	259,356.21
Trust Fund (801, 803-806, & 815)	860,095.79
2012 Water Rights Acquisition (402)	1,772,666.47
2013 Refunding Lease Rev Bonds (403)	-
2023 Refunding Lease Rev Bonds (404)	1,789,684.80
 TOTAL CITY FUNDS	 <u>\$ 106,238,606.98</u>

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
Unaudited Period Ending July 31, 2024

<u>FUND</u>	<u>VALUE</u>
RORF Retention - (163)	<u>\$ 8,368,606.74</u>

HESPERIA HOUSING AUTHORITY
Unaudited Period Ending July 31, 2024

<u>FUND</u>	<u>VALUE</u>
Hesperia Housing Authority Fund (370)	\$ 4,271,850.37
VVEDA Housing Authority (371)	1,943,481.04
TOTAL HOUSING AUTHORITY FUNDS	<u>\$ 6,215,331.41</u>

COMMUNITY DEVELOPMENT COMMISSION
Unaudited Period Ending July 31, 2024

<u>FUND</u>	<u>VALUE</u>
Community Development Commission Fund (170)	<u>\$ 3,511,103.33</u>

WATER
Unaudited Period Ending July 31, 2024

<u>FUND</u>	<u>VALUE</u>
Water Operating (700)	\$ 14,893,520.52
Water Capital (701)	3,916,890.64
Water Capital Rehab and Replace (703)	3,601,894.05
Water Contamination Mitigation (704)	2,656,768.79
Water Pension Obligation Trust (705)	752,619.57
Water OPEB Trust (706)	-
Sewer Operating (710)	13,906,559.13
Sewer Capital (711)	1,443,355.65
Sewer Capital Rehab and Replace (713)	819,586.48
Reclaimed Water Operations (720)	216,517.16
TOTAL WATER FUNDS	<u>\$ 42,207,711.99</u>

CITY OF HESPERIA
Revised Unaudited Period Ending June 30, 2024

<u>FUND</u>	<u>VALUE</u>
General Fund (100 & 800)	29,902,540.85
Pension Obligation Trust (105)	79,138.85
OPEB Trust (106)	-
HFPD (PERS) (210)	2,055,958.68
CFD 2021-1 Resid Maint & Serv	-
CFD 2022-1 Non-Resid Maint & Serv	-
CFD 2023-1 Silverwood Maint	-
AB27666 - Transit (254)	25,151.26
AB3229 Supplemental Law (255)	302,618.22
AD No. 91-1 (802)	391,794.16
Beverage Recycling Grant (256)	281,721.11
CFD 2005-1 (807)	1,902,600.28
HFPD Transition (808)	317,435.02
City Wide-Capital Projects (504)	(9,103,997.62)
Community Dev Block Grant (251, 252, & 253)	3,207,227.03
American Rescue Plan Grant (261)	24,565,025.55
SB 1383 Local Assistance Grant (262)	80,043.99
Development Impact Fund (300-304)	5,194,455.73
Development Impact Fund 2018 (306-312)	22,323,335.83
Development Impact Fund A-04 Drainage (313)	987,180.41
Disaster (260)	46,459.64
Gas Tax Fund (205)	1,945,004.87
Gas Tax - RMRA (209)	7,432,669.24
Gas Tax Swap (206)	1,520,632.05
Local Transportation SB325 (207)	1,745,866.54
Measure I - Renewal (204)	11,909,804.72
Public Works Street Maint (263)	772,190.47
Public Art (230)	256,848.23
Trust Fund (801, 803-806, & 815)	605,557.46
2012 Water Rights Acquisition (402)	1,755,521.86
2013 Refunding Lease Rev Bonds (403)	-
2023 Refunding Lease Rev Bonds (404)	1,720,073.99
 TOTAL CITY FUNDS	 <u>\$ 112,222,858.42</u>

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
Revised Unaudited Period Ending June 30, 2024

<u>FUND</u>	<u>VALUE</u>
RORF Retention - (163)	<u>\$ 8,401,363.14</u>

HESPERIA HOUSING AUTHORITY
Revised Unaudited Period Ending June 30, 2024

<u>FUND</u>	<u>VALUE</u>
Hesperia Housing Authority Fund (370)	\$ 4,223,433.70
VVEDA Housing Authority (371)	1,923,327.89
TOTAL HOUSING AUTHORITY FUNDS	<u>\$ 6,146,761.59</u>

COMMUNITY DEVELOPMENT COMMISSION
Revised Unaudited Period Ending June 30, 2024

<u>FUND</u>	<u>VALUE</u>
Community Development Commission Fund (170)	<u>\$ 98,015.66</u>

WATER
Revised Unaudited Period Ending June 30, 2024

<u>FUND</u>	<u>VALUE</u>
Water Operating (700)	\$ 14,284,595.79
Water Capital (701)	3,746,206.57
Water Capital Rehab and Replace (703)	3,569,797.74
Water Contamination Mitigation (704)	2,629,219.12
Water Pension Obligation Trust (705)	750,000.00
Water OPEB Trust (706)	-
Sewer Operating (710)	13,346,566.73
Sewer Capital (711)	2,314,625.94
Sewer Capital Rehab and Replace (713)	811,225.95
Reclaimed Water Operations (720)	195,953.33
TOTAL WATER FUNDS	<u>\$ 41,648,191.17</u>

City of Hesperia Investment Report Unaudited

July 31, 2024

Type of Investment	Institution/ Fiscal Agent	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	4.516%	31-Jul-24	Demand	\$ 95,685,589.02	95,685,589.02	95,685,589.02	
Local Bank Checking Accounts	U.S. Bank	n/a	31-Jul-24	Demand	10,553,017.96	10,553,017.96	10,553,017.96	
Total Unaudited Investments under the direction of the City					\$ 106,238,606.98	\$ 106,238,606.98	\$ 106,238,606.98	
Investments under the direction of fiscal agents:								
2012 Lease Revenue Bonds	US Bank	0.426%	31-Jul-24	Demand	823.49	823.49	823.49	2012 - Water Rights Revenue Fund
2012 Lease Revenue Bonds	US Bank	0.426%	31-Jul-24	Demand	1,516,609.87	1,516,609.87	1,516,609.87	2012 - Water Rights Reserve Fund
2012 Lease Revenue Bonds	US Bank	0.426%	31-Jul-24	Demand	1,011.64	1,011.64	1,011.64	2012 - Water Rights Surplus Revenue Fund
2014 CFD 2005-1 Refunding	US Bank	0.426%	31-Jul-24	Demand	32,607.10	32,607.10	32,607.10	2014 CFD 05-1 - Special Tax Fund
2014 CFD 2005-1 Refunding	US Bank	0.425%	31-Jul-24	Demand	415.68	415.68	415.68	2014 CFD 05-1 - Bond Fund
2014 CFD 2005-1 Refunding	US Bank	0.426%	31-Jul-24	Demand	1,465,697.03	1,465,697.03	1,465,697.03	2014 CFD 05-1 - Reserve Fund
2014 CFD 2005-1 Refunding	US Bank	0.426%	31-Jul-24	Demand	26,133.77	26,133.77	26,133.77	2014 CFD 05-1 Administrative Expense Bonds
2023 Refunding Lease Revenue Bonds	US Bank	0.393%	31-Jul-24	Demand	337.07	337.07	337.07	2023 Refunding Lease Revenue Bonds Revenue Fund
2023 Refunding Lease Revenue Bonds	US Bank	0.392%	31-Jul-24	Demand	135.70	135.70	135.70	2023 Refunding Lease Revenue Interest Funds
Deposits - Workers' Comp	PERMA	n/a	31-Jul-24	n/a	706,439.07	706,439.07	706,439.07	GL 1352
Sully Miller Retention - Rancho	US Bank	0.000%	31-Jul-24	n/a	1.08	1.08	1.08	Rancho Road - Escrow Account
City of Hesperia Stabilized Trust	Charles Schwab	n/a	31-Jul-24	n/a	4,391,836.47	4,391,836.47	4,391,836.47	City Pension
City of Hesperia OPEB Trust	Charles Schwab	n/a	31-Jul-24	n/a	808,071.77	808,071.77	808,071.77	City OPEB
Hesperia Fire Protection PST	Charles Schwab	n/a	31-Jul-24	n/a	1,416,522.46	1,416,522.46	1,416,522.46	Fire Pension
City of Hesperia Settlement Escrow Account	US Bank	0.000%	31-Jul-24	n/a	300,021.64	300,021.64	300,021.64	Settlement Escrow Account
Total Unaudited Investments under the direction of fiscal agents					\$ 10,666,663.84	\$ 10,666,663.84	\$ 10,666,663.84	

Please Note: All market value data is provided courtesy of the City's fiscal agent, US Bank.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

* Note: 2005 Certificates of Participation began in May 2005 for the financing of the Civic Plaza.



Marc Morales, Senior Accountant

**Investment Report
Unaudited**

July 31, 2024

Type of Investment	Issuer/ Institution	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	4.516%	31-Jul-24	Demand	\$ 7,537,950.55	\$ 7,537,950.55	7,537,950.55	
Local Bank Checking Accounts	U.S. Bank	n/a	31-Jul-24	Demand	830,656.19	830,656.19	830,656.19	
Total Unaudited Investments under the direction of the City					\$ 8,368,606.74	\$ 8,368,606.74	\$ 8,368,606.74	

Investments under the direction of fiscal agents:

2018 Refunding Bonds	US Bank	0.418%	31-Jul-24	Demand	45.43	45.43	45.43	2018A & 2018B - Debt Service Account
2018 Refunding Bonds	US Bank	0.426%	31-Jul-24	Demand	2,478.72	2,478.72	2,478.72	2018A & 2018B - Interest Account
2018 Refunding Bonds	US Bank	0.000%	31-Jul-24	Demand	1.00	1.00	1.00	2018A & 2018B - Reserve Account
Total Unaudited Investments under the direction of fiscal agents					\$ 2,525.15	\$ 2,525.15	\$ 2,525.15	

**Please Note: All market value data is provided courtesy of the City's fiscal agent US Bank.
The 2018 Refunding Bonds are supported by a \$9,799,443.76 bond insurance policy.**

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



Marc Morales, Senior Accountant

* Note: The 2005 and 2007 Series Bonds were refinanced to 2018 Series Bonds in November 2018.

Hesperia Housing Authority
Investment Report
Unaudited

July 31, 2024

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	4.516%	31-Jul-24	Demand	\$ 5,598,406.32	5,598,406.32	5,598,406.32
Local Bank Checking Accounts	U.S. Bank	n/a	31-Jul-24	Demand	616,925.09	616,925.09	616,925.09
Total Unaudited Investments under the direction of the City					\$ 6,215,331.41	\$ 6,215,331.41	\$ 6,215,331.41

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



 Marc Morales, Senior Accountant

**Investment Report
Unaudited**

July 31, 2024

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	4.516%	31-Jul-24	Demand	\$ 3,162,596.13	3,162,596.13	3,162,596.13
Local Bank Checking Accounts	U.S. Bank	n/a	31-Jul-24	Demand	348,507.20	348,507.20	348,507.20
Total Unaudited Investments under the direction of the City					\$ 3,511,103.33	\$ 3,511,103.33	\$ 3,511,103.33

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



 Marc Morales, Senior Accountant

Hesperia Water District
Investment Report
Unaudited

July 31, 2024

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
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Investments under the direction of the City:

Local Agency Investment Funds	State of California	4.516%	31-Jul-24	Demand	\$ 38,015,086.02	38,015,086.02	38,015,086.02	
Local Bank Checking Accounts	U.S. Bank	n/a	31-Jul-24	Demand	4,192,625.97	4,192,625.97	4,192,625.97	
Total Unaudited Investments under the direction of the City					\$ 42,207,711.99	\$ 42,207,711.99	\$ 42,207,711.99	

Investments under the direction of fiscal agents:

Deposits - Workers' Comp	PERMA	n/a	31-Jul-24	n/a	1,222,852.54	1,222,852.54	1,222,852.54	GL 1352
Total Unaudited Investments under the direction of fiscal agents					\$ 1,222,852.54	\$ 1,222,852.54	\$ 1,222,852.54	

Please Note: All market value data is provided courtesy of the City's fiscal agent, US Bank.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



 Marc Morales, Senior Accountant

City of Hesperia Investment Report Revised Unaudited

June 30, 2024

Type of Investment	Institution/ Fiscal Agent	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	4.480%	30-Jun-24	Demand	\$ 99,890,854.33	99,890,854.33	99,890,854.33	
Local Bank Checking Accounts	U.S. Bank	n/a	30-Jun-24	Demand	12,332,004.09	12,332,004.09	12,332,004.09	
Total Unaudited Investments under the direction of the City					\$ 112,222,858.42	\$ 112,222,858.42	\$ 112,222,858.42	
Investments under the direction of fiscal agents:								
2012 Lease Revenue Bonds	US Bank	0.440%	30-Jun-24	Demand	820.00	820.00	820.00	2012 - Water Rights Revenue Fund
2012 Lease Revenue Bonds	US Bank	0.440%	30-Jun-24	Demand	1,510,182.88	1,510,182.88	1,510,182.88	2012 - Water Rights Reserve Fund
2012 Lease Revenue Bonds	US Bank	0.440%	30-Jun-24	Demand	1,007.35	1,007.35	1,007.35	2012 - Water Rights Surplus Revenue Fund
2014 CFD 2005-1 Refunding	US Bank	0.440%	30-Jun-24	Demand	32,468.92	32,468.92	32,468.92	2014 CFD 05-1 - Special Tax Fund
2014 CFD 2005-1 Refunding	US Bank	0.439%	30-Jun-24	Demand	413.92	413.92	413.92	2014 CFD 05-1 - Bond Fund
2014 CFD 2005-1 Refunding	US Bank	0.440%	30-Jun-24	Demand	1,459,485.80	1,459,485.80	1,459,485.80	2014 CFD 05-1 - Reserve Fund
2014 CFD 2005-1 Refunding	US Bank	0.440%	30-Jun-24	Demand	26,023.02	26,023.02	26,023.02	2014 CFD 05-1 Administrative Expense Bonds
2023 Refunding Lease Revenue Bonds	US Bank	0.404%	30-Jun-24	Demand	335.75	335.75	335.75	2023 Refunding Lease Revenue Bonds Revenue Fund
2023 Refunding Lease Revenue Bonds	US Bank	0.409%	30-Jun-24	Demand	135.17	135.17	135.17	2023 Refunding Lease Revenue Interest Funds
Deposits - Workers' Comp	PERMA	n/a	30-Jun-24	n/a	706,439.07	706,439.07	706,439.07	GL 1352
Sully Miller Retention - Rancho	US Bank	0.000%	30-Jun-24	n/a	1.08	1.08	1.08	Rancho Road - Escrow Account
City of Hesperia Stabalized Trust	Charles Schwab	n/a	30-Jun-24	n/a	4,302,239.83	4,302,239.83	4,302,239.83	City Pension
City of Hesperia OPEB Trust	Charles Schwab	n/a	30-Jun-24	n/a	791,706.55	791,706.55	791,706.55	City OPEB
Hesperia Fire Protection PST	Charles Schwab	n/a	30-Jun-24	n/a	1,387,246.80	1,387,246.80	1,387,246.80	Fire Pension
City of Hesperia Settlement Escrow Account	US Bank	0.000%	30-Jun-24	n/a	300,020.41	300,020.41	300,020.41	Settlement Escrow Account
Total Unaudited Investments under the direction of fiscal agents					\$ 10,518,526.55	\$ 10,518,526.55	\$ 10,518,526.55	

Please Note: All market value data is provided courtesy of the City's fiscal agent, US Bank.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

* Note: 2005 Certificates of Participation began in May 2005 for the financing of the Civic Plaza.



Marc Morales, Senior Accountant

**Investment Report
Revised Unaudited**

June 30, 2024

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	4.480%	30-Jun-24	Demand	\$ 7,478,149.76	\$ 7,478,149.76	7,478,149.76	
Local Bank Checking Accounts	U.S. Bank	n/a	30-Jun-24	Demand	923,213.38	923,213.38	923,213.38	
Total Unaudited Investments under the direction of the City					\$ 8,401,363.14	\$ 8,401,363.14	\$ 8,401,363.14	
Investments under the direction of fiscal agents:								
2018 Refunding Bonds	US Bank	0.440%	30-Jun-24	Demand	45.43	45.43	45.43	2018A & 2018B - Debt Service Account
2018 Refunding Bonds	US Bank	0.440%	30-Jun-24	Demand	2,468.02	2,468.02	2,468.02	2018A & 2018B - Interest Account
2018 Refunding Bonds	US Bank	0.000%	30-Jun-24	Demand	1.00	1.00	1.00	2018A & 2018B - Reserve Account
Total Unaudited Investments under the direction of fiscal agents					\$ 2,514.45	\$ 2,514.45	\$ 2,514.45	

**Please Note: All market value data is provided courtesy of the City's fiscal agent US Bank.
The 2018 Refunding Bonds are supported by a \$9,799,443.76 bond insurance policy.**

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



Marc Morales, Senior Accountant

* Note: The 2005 and 2007 Series Bonds were refinanced to 2018 Series Bonds in November 2018.

Hesperia Housing Authority
Investment Report
Revised Unaudited

June 30, 2024

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	4.480%	30-Jun-24	Demand	\$ 5,471,303.04	5,471,303.04	5,471,303.04
Local Bank Checking Accounts	U.S. Bank	n/a	30-Jun-24	Demand	675,458.55	675,458.55	675,458.55
Total Unaudited Investments under the direction of the City					\$ 6,146,761.59	\$ 6,146,761.59	\$ 6,146,761.59

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



 Marc Morales, Senior Accountant

**Investment Report
Revised Unaudited**

June 30, 2024

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	4.480%	30-Jun-24	Demand	\$ 87,244.86	87,244.86	87,244.86
Local Bank Checking Accounts	U.S. Bank	n/a	30-Jun-24	Demand	10,770.80	10,770.80	10,770.80
Total Unaudited Investments under the direction of the City					\$ 98,015.66	\$ 98,015.66	\$ 98,015.66

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



Marc Morales, Senior Accountant

Hesperia Water District
Investment Report
Revised Unaudited

June 30, 2024

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
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Investments under the direction of the City:

Local Agency Investment Funds	State of California	4.480%	30-Jun-24	Demand	\$ 37,071,532.98	37,071,532.98	37,071,532.98	
Local Bank Checking Accounts	U.S. Bank	n/a	30-Jun-24	Demand	4,576,658.19	4,576,658.19	4,576,658.19	
Total Unaudited Investments under the direction of the City					\$ 41,648,191.17	\$ 41,648,191.17	\$ 41,648,191.17	

Investments under the direction of fiscal agents:

Deposits - Workers' Comp	PERMA	n/a	30-Jun-24	n/a	1,222,852.54	1,222,852.54	1,222,852.54	GL 1352
Total Unaudited Investments under the direction of fiscal agents					\$ 1,222,852.54	\$ 1,222,852.54	\$ 1,222,852.54	

Please Note: All market value data is provided courtesy of the City's fiscal agent, US Bank.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



 Marc Morales, Senior Accountant



DATE: November 5, 2024

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works / City Engineer
Brian Blackwell, Streets Operations Manager

SUBJECT: American Rescue Plan Act (ARPA) Grant – Tamarisk Storm Water Basin Rehabilitation.

RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to award a contract with H L Hitchcock Construction to rehabilitate the Tamarisk Storm Water Basin to its original design in the amount of \$ 602,650 and approve an additional 10% contingency in the amount of \$60,265 for a not-to-exceed amount of \$662,915.

BACKGROUND

Tamarisk Storm Water Basin is an existing basin located at the northwest corner of Tamarisk Avenue and Mojave Street. Tamarisk Storm Water Basin was designed as part of the A-04 drainage system and built to hold approximately 20 acre-feet of stormwater within the drainage corridor that starts at Seal Beach Drive and Muscatel Street and travels northeast, where it ends near Eucalyptus Street and Maple Avenue. Tamarisk Storm Water Basin is designed to collect stormwater and reduce peak flows by releasing the runoff at a controlled rate. Tamarisk Storm Water Basin is currently filled with sediment from runoff, which reduces the volume of water it can hold. This decrease in capacity leads additional flows to travel downstream, requiring road closures to prevent motorists from danger. Bringing the basin back to its original design will help avoid City infrastructure damage that becomes costly and requires roads to be closed until repairs and cleanup is complete.

ISSUES/ANALYSIS

The Public Works Division released a Request for Bid (RFB) on September 3, 2024, for the rehabilitation of the Tamarisk Storm Water Basin. The RFB closed on September 26, 2024, with two (2) responses received. Staff recommends awarding the bid to H L Hitchcock Construction, which has been deemed the lowest responsive/responsible vendor with a total bid amount of \$602,650.

CITY GOAL SUPPORTED BY THIS ITEM

Public Safety: Ensure public safety resources adequately protect our community.

FISCAL IMPACT

American Rescue Plan Act (ARPA) Grant funding in the amount of \$662,915 has been identified for this project to rehabilitate the Tamarisk Storm Water Basin. The City has identified available ARPA Grant funds as an eligible funding source for the Basin rehabilitation. If approved, an amendment to the fiscal year 2024-25 Budget will be presented at the mid-year Budget Review to appropriate the necessary funds.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None.

City of Hesperia

STAFF REPORT



DATE: November 5, 2024
TO: Mayor and City Council Members
Chair and Board Members, Hesperia Water District
FROM: Rachel Molina, City Manager
BY: Cassandra Sanchez, Director of Public Works / City Engineer
Jeremy McDonald, Water Operations Manager
SUBJECT: American Rescue Plan Act (ARPA) Grant Contract Services – Leak Analysis

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into an agreement with ASTERRA for the satellite scan of the City's water distribution system to identify non-apparent leaks, in the not-to-exceed amount of \$350,000, which includes a contingency of \$30,000.

BACKGROUND

The City's water distribution system consists of over six hundred (600) miles of pipeline, fourteen thousand (14,000) valves, and twenty-nine thousand (29,000) service lines. Water distribution systems are susceptible to leaks due to several reasons, including degradation due to age.

There are two types of leaks that occur within a distribution system, apparent and non-apparent. Apparent leaks are those that become visible by appearing at the surface, resulting in the ponding, or flowing of water within the City's right-of-way. Non-apparent leaks are those that do no surface due to minimal leakage rates or soil conditions allowing for the percolation of water.

Staff recommends a leak analysis survey be performed on the City's water distribution system to identify non-apparent leaks. The analysis includes a satellite scan of the City's service area which will identify locations where Points of Interest (POI) are identified. The POI are then overlaid onto a map displaying streets, pipes, hydrants, and valves. A subcontracted acoustic leak detection technician is then assigned to the City for up to seventy (70) days. The technician will use the information from the satellite scan and acoustic leak detection equipment to pinpoint exact locations of where the leaks are located.

The satellite imaging is expected to detect up to 30% of leaks within the City's service area and leakage rates as minimal as 0.2 gallons per minute. Performing the leak analysis will help reduce real losses. The reduction of real losses will contribute to savings associated with reduced energy consumption and disinfection costs and reduce the amount of makeup water associated with being a part of an adjudicated basin. Furthermore, the leak analysis will improve the City's validity score associated with Senate Bill 555 by reducing real losses, which an annual water loss audit required by the State Water Resources Control Board.

ISSUES/ANALYSIS

Staff has determined that ASTERRA is the sole source provider of satellite imaging that uses synthetic aperture radar to detect soil moisture resulting from treated water. Additionally, ASTERRA's algorithm and process are patented under US 9285475 Mar, 15 2016 SYSTEM AND METHOD OF UNDERGROUND WATER DETECTION.

Staff recommends entering into the agreement with ASTERRA who has been determined to be the only provider of this service in the amount of \$350,000.

The City has identified available American Rescue Plan Act (ARPA) Grant funds that are an eligible funding source for the program.

CITY GOAL

Public Safety: Ensure public safety resources adequately protect our community.

Financial Health: Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

ARPA Grant funding in the amount of \$350,000 has been identified for the proposed purchase of the services recommended. If approved, an amendment to the FY 2024-25 Budget will be presented at the Mid- Year Budget Review to appropriate the necessary funds.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None

City of Hesperia

STAFF REPORT



DATE: November 5, 2024
TO: Mayor and City Council Members
Chair and Board Members, Hesperia Water District
FROM: Rachel Molina, City Manager
BY: Cassandra Sanchez, Director of Public Works / City Engineer
Jeremy McDonald, Water Operations Manager
SUBJECT: American Rescue Plan Act (ARPA) Grant Equipment Procurement – Closed
Circuit Television Truck

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into an agreement with Plumbers Depot for the purchase of one (1) closed-circuit television (CCTV) inspection vehicle in the not-to-exceed amount of \$481,008.

BACKGROUND

Sewer lines require regular maintenance in order to function properly. Assessing the condition of sewer lines by CCTV alerts staff to areas that may require more frequent maintenance or replacement, depending upon the severity of the deficiency. City staff proactively inspect all sewer mains on a triennial frequency to assess and prioritize maintenance and capital improvement projects. The City's sanitary sewer system consists of one-hundred and fifty-nine (159) miles of pipeline, six thousand (6,000) lateral lines, and two thousand and five hundred (2,500) manholes.

The Sewer division's current CCTV inspection vehicle was purchased in 2014 and has reached its useful life expectancy. The proposed CCTV inspection vehicle includes several technological advancements and safety features not found in the current model. Additionally, the proposed inspection vehicle includes a sewer lateral camera that will allow staff to inspect lateral lines up to distances of 100' from the main camera system.

ISSUES/ANALYSIS

Hesperia Public Works requested a quote for one (1) CCTV inspection vehicle on October 16, 2024, which was provided in the amount of \$481,007.09. The proposed CCTV inspection vehicle is a sole source product manufactured by CUES, which is exclusively sold and distributed by Plumbers Depot. The District has only operated CUES CCTV inspection equipment for sewer inspections. Staff is familiar with CUES manufactured CCTV equipment and parts for the system can be attained locally.

Staff recommends entering into the agreement with Plumbers Depot who has been determined to be the only provider of this equipment in the amount of \$481,008.

The City has identified available American Rescue Plan Act (ARPA) Grant funds that are an eligible funding source for the CCTV inspection vehicle.

CITY GOAL

Public Safety: Ensure public safety resources adequately protect our community.

Financial Health: Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

ARPA Grant funding in the amount of \$481,008 has been identified for the proposed purchase of the CCTV inspection vehicle. If approved, an amendment to the FY 2024-25 Budget will be presented at the mid-year Budget Review to appropriate the necessary funds.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None

City of Hesperia

STAFF REPORT



DATE: November 5, 2024

TO: Mayor and City Council Members
Chair and Board Members, Hesperia Water District

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works / City Engineer
Jeremy McDonald, Water Operations Manager

SUBJECT: American Rescue Plan Act (ARPA) Grant Service Line Replacement Project

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to enter into an agreement with Weka Inc. for the replacement of water service lines in the not-to-exceed amount of \$7,731,407, which includes a 10% contingency.

BACKGROUND

The City's water distribution system contains over twenty-nine thousand (29,000) service lines. A water service line is the pipe that connects the water main to the water meter. The diameter of these pipes' range between one (1) and eight (8) inches in diameter depending on the volumetric needs of the consumer. Approximately 95% of the service lines in the City's service area are one (1) inch in diameter.

Due to a significant rise in service line leaks in 2018, the City revised its Approved Materials List by no longer allowing polyethylene pipe as an approved material type for water service lines. Due to several factors including ultra-violet resistance, impact and abrasion resistance, and affordability compared to copper, the City only accepts MUNICIPEX pipe for its water service lines up to two (2) inches in diameter.

The proposed service line replacement project will allow for the replacement of one thousand (1,000) water service lines that will remove polyethylene pipe from service. The areas identified for replacement includes tract developments where high-density housing is found. These areas were prioritized based upon work order history and the tendency of sewer trench lines failing due to the intrusion of moisture.

ISSUES/ANALYSIS

The Water Service Line Replacement project was advertised for bids beginning on September 25, 2024. The project was posted on Public Purchase, the City's online bidding platform where one-hundred and forty-one (141) contractors were notified of the project. On October 21, 2024, nine (9) bids were received, opened, and publicly read.

Staff recommends entering into the agreement with Weka Inc. who has been determined to be the lowest responsive / responsible bidder with a total bid amount of \$7,028,552.

The City has identified available American Rescue Plan Act (ARPA) Grant funds that are an eligible funding source for the program.

CITY GOAL

Public Safety: Ensure public safety resources adequately protect our community.
Financial Health: Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

ARPA Grant funding in the amount of \$7,731,407 has been identified for the proposed project. If approved, an amendment to the Fiscal Year (FY) 2024-25 Budget will be presented at the midyear Budget Review to appropriate the necessary funds.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None



DATE: November 5, 2024
TO: Mayor and Council Members
FROM: Rachel Molina, City Manager
BY: Cassandra Sanchez, Director of Public Works/City Engineer
Bethany Hudson, Assistant Project Manager
SUBJECT: Final Tract Map No. 20648-2

RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2024-56 approving Final Map No. 20648-2 to create 4 additional residential lots in addition to the 20 residential lots and 1 homeowners association (HOA) community lot with a remainder parcel previously approved on Final Map 20648-1 on approximately 15.61 gross acres to develop a portion of Tract 18989-1 Lot 26, Planning Area 17 of the Tapestry Specific Plan (Applicant: Silverwood Development Phase I, LLC).

BACKGROUND

On January 26, 2016, the City Council approved Tentative Tract Map No. 18989 to create 39 lots on 986 gross acres within the Tapestry Specific Plan, now known as the Silverwood Project, located south of Rancho Road at the intersection of I Avenue. Final Map 20648-2 subdivides 4 additional residential lots within Lot 26, Planning Area 17 of Final Map 18989-1.

Staff has reviewed the final map and determined that it complies with the Tapestry Specific Plan, the Tapestry Development Agreement, the General Plan and zoning regulations, all required conditions of approval, and all local ordinances related to the creation of these parcels. The developer executed a Subdivision Improvement Agreement in accordance with local ordinances and the Subdivision Map Act and posted the necessary bonds for offsite improvements with the approval and recordation of Final Map 20648-1. No additional bonds were required or necessary with the approval of Final Map 20648-2.

ISSUES/ANALYSIS

There are no issues identified with this item.

FISCAL IMPACT

There are no significant fiscal impacts to the City related to this action.

CITY GOAL SUPPORTED BY THIS ITEM

Future Development- Facilitate balanced growth to ensure cohesive community development and pursue economic development.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. 2024-56
2. Final Tract Map No. 20648-2

RESOLUTION NO. 2024-56

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, APPROVING FINAL TRACT MAP NO. 20648-2 TO CREATE 4 RESIDENTIAL LOTS IN ADDITION TO 20 RESIDENTIAL LOTS AND 1 HOMEOWNERS ASSOCIATION (HOA) COMMUNITY LOT WITH A REMAINDER PARCEL ON APPROXIMATELY 15.61 GROSS ACRES AND ACCEPT RIGHT-OF-WAY NECESSARY TO DEVELOP PHASE I OF THE TAPESTRY SPECIFIC PLAN (APPLICANT: SILVERWOOD DEVELOPMENT PHASE I, LLC)

WHEREAS, on January 26, 2016 the City Council recommended that Tentative Tract Map No. 18989 for approval; and

WHEREAS, Tentative Tract Map No. 18989 created 39 lots; and

WHEREAS, on May 16, 2023 the City Council approved Tract Map No. 18989-1 for approval; and

WHEREAS, on August 10, 2023 the Design Review Committee approved Tentative Tract Map No. 20648 on Lot 26 of Tract Map 18989-1; and

WHEREAS, Tract Map No. 20648-1 is to create 20 residential lots and 1 homeowners association (HOA) community lot on 15.61 gross acres within the Tapestry Specific Plan; and

WHEREAS, Tract Map No. 20648-1 is to accept right-of-way for the backbone infrastructure; and

WHEREAS, on May 7, 2024 the City Council approved Tract Map No. 20648-1 for approval; and

WHEREAS, Tract Map No. 20648-2 is to create 4 residential lots in addition to the previously approved 20 residential lots on 15.61 gross acres within the Tapestry Specific Plan; and

WHEREAS, all legal prerequisites to the adoption of this resolution have occurred.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF HESPERIA CITY COUNCIL AS FOLLOWS:

Section 1. Final Tract Map No. 20648-2 is hereby approved, and the City Clerk is authorized to present same to the County Recorder to be filed for record.

Section 2. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 5th day of November 2024.

Larry Bird, Mayor

ATTEST:

Erin Baum, Assistant City Clerk

IN THE CITY OF HESPERIA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
TRACT MAP NO. 20648-2

BEING A SUBDIVISION OF A PORTION OF THE REMAINDER PARCEL OF TRACT MAP NO. 20648-1 AS PER MAP FILED IN BOOK 368, PAGES 59 THROUGH 61, INCLUSIVE, OF TRACT MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND LYING WITHIN SECTION 10, IN TOWNSHIP 3 NORTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

INLAND VALLEY SURVEYING, INC.

JUNE, 2024

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE ONLY PARTY HAVING ANY RECORD TITLE INTEREST IN THE LAND SUBDIVIDED AS SHOWN ON THIS MAP, AND WE CONSENT TO THE PREPARATION AND RECORDATION OF THIS FINAL MAP.

WE HEREBY IRREVOCABLY OFFER TO DEDICATE TO THE CITY OF HESPERIA ALL RIGHTS OF VEHICULAR INGRESS TO OR EGRESS FROM LOT 1, OVER AND ACROSS THE EASTERLY LINE OF GLEN PASS AND LOT 4, OVER AND ACROSS THE EASTERLY LINE OF SAID LOT 4 AS SHOWN ON THE ANNEXED MAP.

WE ALSO HEREBY IRREVOCABLY OFFER TO DEDICATE TO THE CITY OF HESPERIA A 6.00 FOOT WIDE PUBLIC UTILITIES EASEMENT AS SHOWN HEREON FOR CONSTRUCTION AND MAINTENANCE OF PUBLIC FACILITIES;

WE HEREBY RETAIN LANDSCAPE EASEMENTS FOR LANDSCAPE MAINTENANCE PURPOSES AS SHOWN HEREON FOR THE BENEFIT OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, AND LOTS OWNERS WITHIN THIS MAP;

SILVERWOOD DEVELOPMENT PHASE 1, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FORMERLY KNOWN AS TAPESTRY DEVELOPMENT PHASE1. LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: JOHN OHANIAN, AUTHORIZED REPRESENTATIVE

BENEFICIARY STATEMENT

TAPESTRY DEVELOPMENT PHASE 1. LLC, A DELAWARE LIMITED LIABILITY COMPANY AS BENEFICIARY UNDER DEED OF TRUST RECORDED MAY 14, 2021 AS DOC. NO. 2021-0225001 O.R.

BY: RAY WIRTA, AUTHORIZED SIGNATURE

NOTARY ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA
COUNTY OF
ON BEFORE ME, A NOTARY PUBLIC PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE

MY PRINCIPAL PLACE OF BUSINESS IS IN COUNTY.

MY COMMISSION NUMBER: EXPIRES:

NOTARY ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA
COUNTY OF
ON BEFORE ME, A NOTARY PUBLIC PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

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STATE OF CALIFORNIA
COUNTY OF
ON BEFORE ME, A NOTARY PUBLIC PERSONALLY APPEARED WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE

MY PRINCIPAL PLACE OF BUSINESS IS IN COUNTY.

MY COMMISSION NUMBER: EXPIRES:

COMPOSITE DEVELOPMENT PLAN:

A COMPOSITE DEVELOPMENT PLAN HAS BEEN PREPARED FOR THIS TRACT AND IS ON FILE WITH THE CITY OF HESPERIA PLANNING DEPARTMENT.

AUDITOR-CONTROLLER/TREASURER TAX COLLECTOR CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THE OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE REAL PROPERTY SHOWN UPON THIS MAP FOR UNPAID STATE, COUNTY, MUNICIPAL, OR LOCAL TAXES, SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS NOT YET PAYABLE, ESTIMATED TO BE \$.

DATE: 2024

ENSEN MASON
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR
SAN BERNARDINO COUNTY

BY: DEPUTY

BOARD OF SUPERVISOR'S CERTIFICATE

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, (STATE, COUNTY, MUNICIPAL OR LOCAL) AND ALL SPECIAL ASSESSMENTS, COLLECTED AS TAXES, WHICH AT THE TIME OF THE FILING OF THIS MAP WITH THE SAN BERNARDINO COUNTY ASSESSOR-RECORDER-COUNTY CLERK ARE A LIEN AGAINST SAID PROPERTY, BUT NOT YET PAYABLE AND THAT THE SUBDIVIDER HAS FILED WITH ME A CERTIFICATE BY THE PROPER OFFICER GIVING HIS ESTIMATE OF THE AMOUNT OF SAID TAXES AND SPECIAL ASSESSMENTS, AND SAID BOND IS HEREBY ACCEPTED.

DATE: 2024

LYNNA MONELL
CLERK OF THE BOARD OF SUPERVISORS SAN BERNARDINO COUNTY

BY: DEPUTY

CITY COUNCIL'S ACCEPTANCE CERTIFICATE

THE UNDERSIGNED OFFICER ON BEHALF OF THE CITY COUNCIL PURSUANT TO AUTHORITY CONFERRED BY TITLE 17 OF THE CITY HESPERIA MUNICIPAL CODE, HEREBY APPROVES THE ANNEXED MAP AND ACCEPT THE DEDICATION OF A 6.00 FOOT WIDE PUBLIC UTILITIES EASEMENT AS SHOWN HEREON FOR CONSTRUCTION AND MAINTENANCE OF PUBLIC FACILITIES.

IN ADDITION, THE UNDERSIGNED HEREBY ACCEPTS ALL RIGHTS OF VEHICULAR ACCESS FROM LOT 1, OVER AND ACROSS THE EASTERLY LINE OF GLEN PASS AND LOT 4, OVER AND ACROSS THE EASTERLY LINE OF SAID LOT 4 AS SHOWN ON THE ANNEXED MAP.

DATE: 2024

MELINDA SAYRE
CITY CLERK, CITY OF HESPERIA

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF SILVERWOOD DEVELOPMENT PHASE 1, LLC, A DELAWARE LIMITED LIABILITY COMPANY ON JUNE 2024. I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN SUCH POSITIONS IN ACCORDANCE WITH SECTIONS 66495 AND 66496 OF THE SUBDIVISION MAP ACT AND ARE OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

DATE: 2024

MIGUEL A. VILLASENOR
L.S. 8509
EXP. 12/31/24



CITY ENGINEER'S STATEMENT

I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP, AND THAT THE SUBDIVISION SHOWN THEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS THERETO, AND THAT ALL THE PROVISIONS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES HAVE BEEN COMPLIED WITH, AND I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

DATE: 2024

MICHAEL P. THORNTON, CITY ENGINEER
R.C.E. NO. 44226, P.L.S. 6867
EXPIRES: 06/30/2025, 09/30/2024

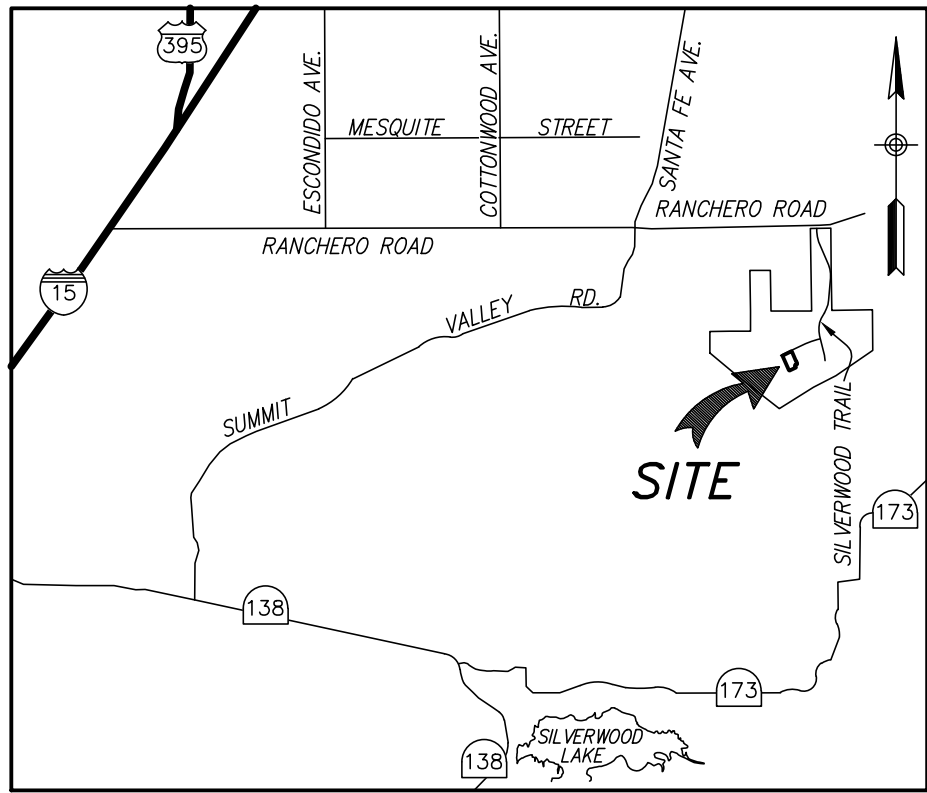


SAN BERNARDINO COUNTY RECORDER'S CERTIFICATE

THIS MAP HAS BEEN FILED UNDER DOCUMENT NUMBER THIS DAY OF 2024. AT M IN BOOK MAPS AT PAGES AT THE REQUEST OF FIRST AMERICAN TITLE COMPANY, IN THE AMOUNT OF \$

CHRIS WILHITE
ASSESSOR-RECORDER
SAN BERNARDINO COUNTY

BY: DEPUTY RECORDER

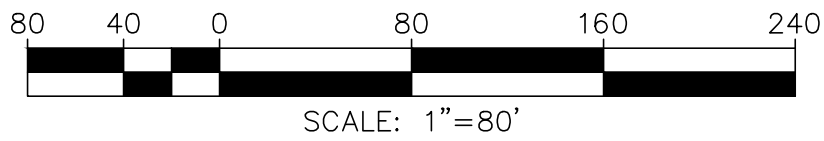
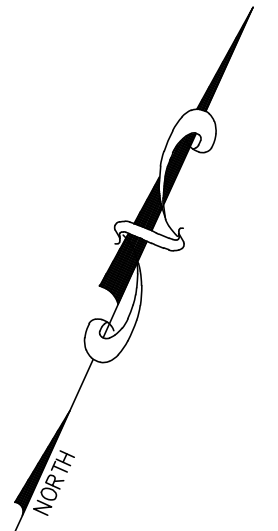


TRACT MAP NO. 20648-2

BEING A SUBDIVISION OF A PORTION OF THE REMAINDER PARCEL OF TRACT MAP NO. 20648-1 AS PER MAP FILED IN BOOK 368, PAGES 59 THROUGH 61, INCLUSIVE, OF TRACT MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND LYING WITHIN SECTION 10, IN TOWNSHIP 3 NORTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

INLAND VALLEY SURVEYING, INC.

JUNE, 2024



BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CENTERLINE GLEN PASS PER TRACT MAP NO. 18989-1 AS PER MAP FILED IN BOOK 365, PAGES 62-73 OF MAPS. BEING N 24°12'10" W.

EASEMENT NOTES

NO EASEMENTS

SURVEYOR'S NOTES

- INDICATES FOUND 1" I.P., FLUSH, WITH TAG STAMPED "L.S. 8509", PER TRACT MAP NO. 18989-1, M.B. 365/62-73.
- ⊙ INDICATES FOUND 1" I.P., FLUSH, WITH TAG STAMPED "L.S. 8509", PER TRACT MAP NO. 20648-1, M.B. 368/59-61.
- () INDICATES RECORD AND MEASURED DATA PER TRACT MAP NO. 18989-1, M.B. 365/62-73.
- [] INDICATES RECORD AND MEASURED DATA PER TRACT MAP NO. 20648-1, M.B. 368/59-61.
- INDICATES SET 1" I.D. I.P. AND TAG "LS 8509", FLUSH.

SURVEYOR'S NOTES

1. SET 1" I.P. AND TAG, "LS 8509", FLUSH, AT ALL REAR LOT CORNERS, AND AT ALL ANGLE POINTS IN SIDE OR REAR LOT LINES, AND IN LIEU OF FRONT CORNERS, SET NAIL AND TAG MARKED "LS 8509" IN TOP OF CURB AT THE PROLONGATION OF SIDE LOT LINES, AND AT ALL B.C.'s, E.C.'s, P.R.C.'s, AND P.C.C.'s, AND CORNER CUTBACKS PROJECTED PERPENDICULAR OR RADIAL TO LETTERED LOT CENTERLINES.

THIS TRACT CONTAINS 4 NUMBERED LOTS

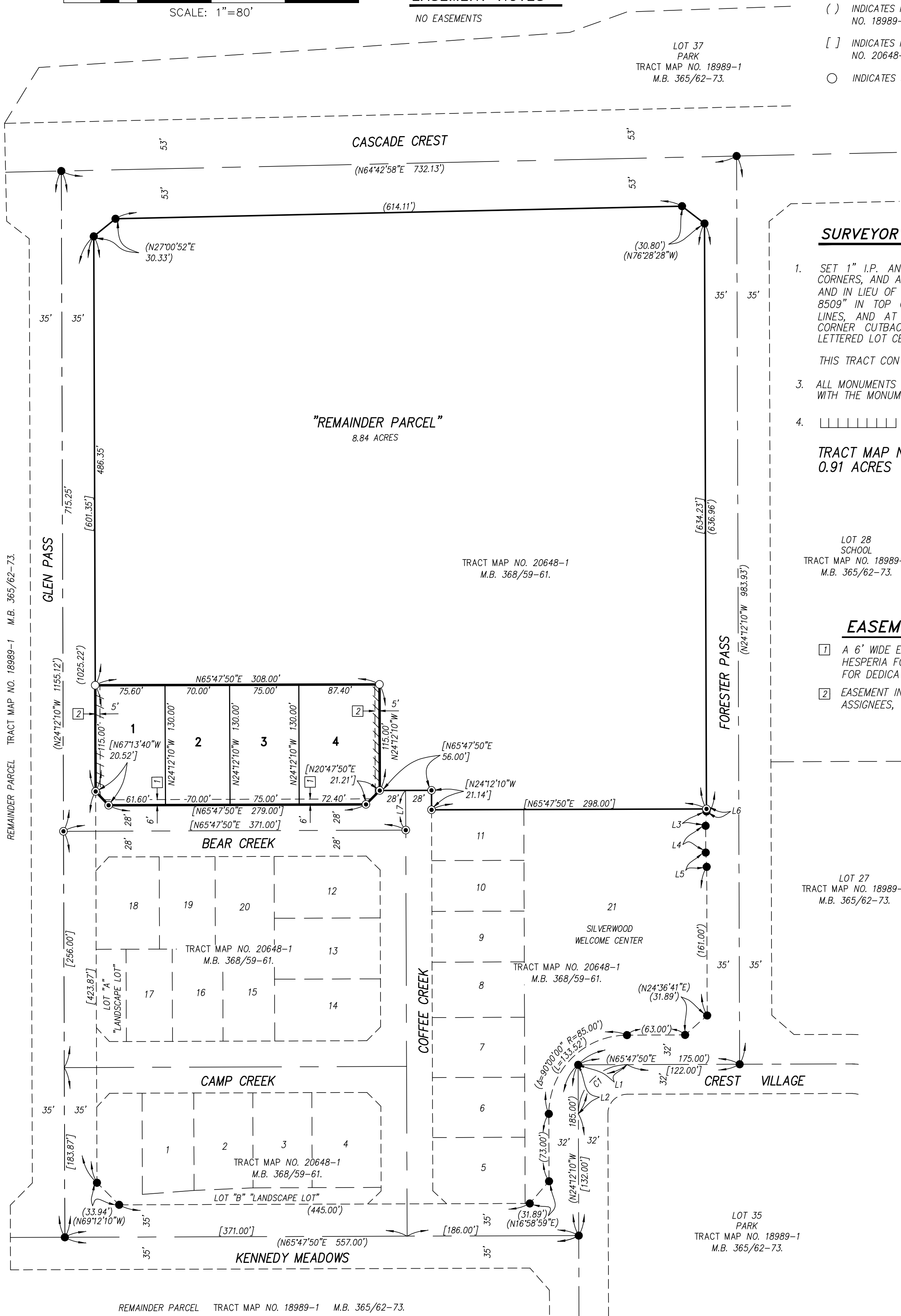
3. ALL MONUMENTS SHOWN "SET" ARE IN ACCORDANCE WITH THE MONUMENT AGREEMENT FOR THE MAP.
4. [|||||] INDICATES NON-VEHICULAR ACCESS

TRACT MAP NO. 20648-2 CONTAINS 0.91 ACRES

LOT 28
SCHOOL
TRACT MAP NO. 18989-1
M.B. 365/62-73.

EASEMENT DEDICATION NOTES

1. A 6' WIDE EASEMENT IN FAVOR OF THE CITY OF HESPERIA FOR PUBLIC UTILITY PURPOSES OFFERED FOR DEDICATION HEREON.
2. EASEMENT IN FAVOR OF OURSELVES, OUR SUCCESSORS, ASSIGNEES, FOR LANDSCAPE PURPOSES RETAINED HEREON.



LINE TABLE		
NO.	BEARING	LENGTH
L1	(N 65°47'50" E)	(53.00')
L2	(N 24°12'10" W)	(53.00')
L3	(N 20°30'34" W)	(15.52')
L4	(N 24°12'10" W)	(29.02')
L5	(N 27°53'46" W)	(15.52')
L6	(N 24°12'10" W)	(2.73')
L7	(N 24°12'10" W)	(43.00')

ARC TABLE			
NO.	DELTA	RADIUS	LENGTH
CI	(Δ=90°00'00")	(53.00')	(83.25')

LINE TABLE		
NO.	BEARING	LENGTH



DATE: October 15, 2024
TO: Mayor and Council Members
FROM: Rachel Molina, City Manager **SECOND READING AND ADOPTION**
BY: Pam K. Lee, City Attorney
SUBJECT: Amendments to Chapter 5.50 of the Hesperia Municipal Code Related to Medical Cannabis Business Licenses

RECOMMENDED ACTION

It is recommended that the City Council introduce and place on first reading Ordinance No. 2024-12 amending Chapter 5.50 of the Hesperia Municipal Code relating to medical cannabis business licenses.

BACKGROUND

On December 5, 2017, the City Council adopted Ordinance No. 2017-15 (i) prohibiting all cannabis activities and license types within the City, except for M-Type 10 Retailer, limited to non-storefront medical delivery only services; and (ii) creating land use regulations related to such activities; and (iii) adopting a map detailing the areas where cannabis non-storefront medical delivery only services would be able to operate within the City.

On December 7, 2017, the State of California issued emergency regulations related to licensing of commercial cannabis activities in the State, and created several new license types, including M-Type 9 Non-Storefront Retailer, a retail license that by legal definition does not allow store front activities, and is limited to delivery services only.

On December 19, 2017, adopted Ordinance No. 2017-22, prohibiting M-Type 10 Retailer, and only allowing M-Type 9-Non-Storefront Retailer licenses within the City.

On March 20, 2018, the City Council repealed Ordinance No. 2017-22 with Ordinance No. 2018-01, amending Chapter 5.50 of the Hesperia Municipal Code related to business licenses and regulations on dispensing and delivery of medical cannabis, as it applies to businesses engaged in non-storefront medical cannabis delivery only services.

On November 6, 2018, the voters of the City of Hesperia voted to approve and adopt Ordinance No. 2018-08, adding Chapter 3.18 of the Hesperia Municipal Code relating to cannabis business taxes.

On October 18, 2022 the City Council adopted Resolution No. 2022-75, prohibiting further renewals of business licenses M-Type 9 Non-Storefront Retailer licenses of businesses engaging in non-storefront medical cannabis delivery only services on or after December 1, 2023, pending the repeal of the cannabis program, and directed staff to prepare ordinance(s) for the City Council's consideration to repeal the commercial cannabis program in its entirety by November 30, 2024.

ISSUES/ANALYSIS

The Cannabis Regulations Program will officially end on November 30, 2024 due to the approval of Resolution No. 2022-75. Since the Cannabis Regulations Program will be ending, staff recommends revising Chapter 5.50 of the Hesperia Municipal Code to wind down the Program.

There are currently three non-storefront medical cannabis delivery only services in operation. In order to minimize/avoid any claims of a regulatory takings, staff recommends an amortization appeal process to allow existing businesses with valid permits and currently operating in good standing to continue their operations for a certain amount of time (generally not to exceed five (5) years), based on the documentary evidence of their economic and financial situations. The provisions of the amortization hearing process includes the following:

- Requiring the submission of a written appeal to the city manager within 15 days of the effective date of the ordinance, which contains all relevant documents and explanation of the need to continue operations, based on factors including, but not limited to, reasonable investment-backed expectations and other economic or financial information. The appeal must be signed under penalty of perjury.
- Within 45 days of the written appeal, or as mutually agreed to by the parties, the city manager or designee will conduct an administrative hearing where oral and written testimony shall be provided.
- Within seven days after the close of the hearing, the city manager or designee will issue a written decision whether to allow the continued operation of the business, and for how long. The decision shall be binding and final, subject to judicial review under section 1094.5 and 1094.6 of the Code of Civil Procedure.

Any businesses that are allowed to continue operations during the amortization period are still required to comply with all the provisions of the cannabis program under Chapter 5.50 of the Hesperia Municipal Code.

Once all businesses have winded down and completed their amortization period, staff will bring back an ordinance to repeal the entire cannabis program and references to cannabis uses and regulations within the Hesperia Municipal Code (under Chapter 5.50) and the Hesperia Development Code (under Chapter 16.16).

ENVIRONMENTAL REVIEW

Pursuant to the provisions of CEQA and State CEQA Guidelines (Sections 15000 et seq., Title 14 the California Code of Regulations) the City has determined that the Ordinance is exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no significant effect on the environment. The proposed Ordinance is also exempt from the requirements of Section 16.12.415(B)(10) of the City's CEQA Guidelines, as the Ordinance does not propose to increase the density or intensity allowed in the General Plan.

CITY GOAL SUPPORTED BY THIS ITEM

Future Development - Facilitate balanced growth to ensure cohesive community development and pursue economic development.

FISCAL IMPACT

There are no fiscal impacts identified with this action.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Ordinance 2024-12
2. Exhibit A – Chapter 5.50 of the Hesperia Municipal Code

ORDINANCE NO. 2024-12

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, AMENDING CHAPTER 5.50 OF THE HESPERIA MUNICIPAL CODE RELATING TO MEDICAL CANNABIS BUSINESS LICENSES

WHEREAS, the City of Hesperia has the authority and responsibility to protect the public health, safety, and welfare of the City, and is responsible for adopting and implementing land use regulations within its boundaries; and

WHEREAS, on December 5, 2017, the City Council adopted Ordinance No. 2017-15 (i) prohibiting all cannabis activities and license types within the City, except for M-Type 10 Retailer, limited to non-storefront medical delivery only services; and (ii) creating land use regulations related to such activities; and (iii) adopting a map detailing the areas where cannabis non-storefront medical delivery only services would be able to operate within the City; and

WHEREAS, on December 7, 2017, the State of California issued emergency regulations related to licensing of commercial cannabis activities in the State, and created several new license types, including M-Type 9 Non-Storefront Retailer, a retail license that by legal definition does not allow store front activities, and is limited to delivery services only; and

WHEREAS, on December 19, 2017, adopted Ordinance No. 2017-22, prohibiting M-Type 10 Retailer, and only allowing M-Type 9-Non-Storefront Retailer licenses within the City; and

WHEREAS, on March 20, 2018, the City Council repealed Ordinance No. 2017-22 with Ordinance No. 2018-01, amending Chapter 5.50 of the Hesperia Municipal Code related to business licenses and regulations on dispensing and delivery of medical cannabis, as it applies to businesses engaged in non-storefront medical cannabis delivery only services; and

WHEREAS, Section 5.50.040(C) of the Hesperia Municipal Code provides that delivery dispensary permits shall automatically expire after one year, and Section 5.50.040(D) provides that the annual renewal of permits is subject to the same process as new applications; and

WHEREAS, on March 20, 2018, the City Council adopted Ordinance No. 2018-02, amending Section 16.16.470 of the Hesperia Municipal Code relating to minimum distance requirements of businesses engaging in non-storefront medical cannabis delivery only services; and

WHEREAS, on March 20, 2018, the City Council adopted Ordinance No. 2018-03, amending certain provisions of Chapter 16.16 of the Hesperia Municipal Code

prohibiting additional types of cannabis activities and relating to regulations of M-Type 9 Non-Storefront Retailer licenses of businesses engaging in non-storefront medical cannabis delivery only services; and

WHEREAS, on November 6, 2018, the voters of the City of Hesperia voted to approve and adopt Ordinance No. 2018-08, adding Chapter 3.18 of the Hesperia Municipal Code relating to cannabis business taxes; and

WHEREAS, on October 18, 2022 the City Council adopted Resolution No. 2022-75, prohibiting further renewals of business licenses M-Type 9 Non-Storefront Retailer licenses of businesses engaging in non-storefront medical cannabis delivery only services on or after December 1, 2023, pending the repeal of the cannabis program, and directed staff to prepare ordinance(s) for the City Council's consideration to repeal the commercial cannabis program in its entirety by November 30, 2024; and

WHEREAS, commercial cannabis operations with valid existing permits are allowed to continue operating until the expiration of the permit, and upon expiration of the permit the permit shall not be renewed; and

WHEREAS, pursuant to the provisions of CEQA and State CEQA Guidelines (Sections 15000 et seq., Title 14 the California Code of Regulations) the City has determined that the Ordinance is exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that the adoption of this Ordinance will not have an effect on the environment since it is prohibitory in nature only.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HESPERIA DOES HEREBY ORDAIN AS FOLLOWS.

SECTION 1. All of the above recitals are true and correct and incorporated herein.

SECTION 2. AMENDMENTS TO THE HESPERIA MUNICIPAL CODE

Certain provisions of the Hesperia Municipal Code relating to cannabis operations are hereby amended as set forth in Exhibit A, attached hereto and incorporated by this reference.

SECTION 3. SEVERABILITY

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remainder of this ordinance. The City Council hereby declares that it would have adopted this ordinance, and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. CEQA COMPLIANCE

Pursuant to the provisions of CEQA and State CEQA Guidelines (Sections 15000 et seq., Title 14 the California Code of Regulations) the City has determined that the Ordinance is exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no significant effect on the environment. The proposed Ordinance is also exempt from the requirements of Section 16.12.415(B)(10) of the City’s CEQA Guidelines, as the Ordinance does not propose to increase the density or intensity allowed in the General Plan.

SECTION 5. EFFECTIVENESS OF ORDINANCE

The Mayor shall sign, and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause this Ordinance, or a summary thereof, to be published in a manner as prescribed by law. This Ordinance shall become effective 30 days after its adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Hesperia, California, at a regular meeting held on this _____ day of _____ 2024.

Larry Bird, Mayor

ATTEST:

Erin Baum, Assistant City Clerk

EXHIBIT A

[All additions in ***bold italics***; deletions in ~~strikethrough~~]

AMENDMENT OF CHAPTER 5.50 OF THE HESPERIA MUNICIPAL CODE. Chapter 5.50 [DISPENSING AND DELIVERY OF MEDICAL CANNABIS] of the Hesperia Municipal is hereby amended in its entirety as follows:

5.50.010 – Purpose and intent.

- A. ~~The declared purpose of this chapter is to establish a comprehensive set of regulations with an attendant regulatory permit governing the operation of medical cannabis dispensaries located in the city limited to the sole activity of dispensing medical cannabis through deliveries, as provided for herein.~~ ***Notwithstanding any other provision of this code, on and after December 1, 2024, the city shall no longer issue new permits for the establishment or operation of a delivery dispensary, except as authorized under section 5.50.040 of this code.***
- B. This chapter is not intended to interfere with a patient's right to obtain medical cannabis, as provided for in California Health and Safety Code Section 11362.5. This article is not intended to conflict with federal law as contained in the Controlled Substances Act, 21 U.S.C. §§ 800 et seq., nor to otherwise permit any activity that is prohibited under that Act or any other local, state or federal law, statute, rule or regulation.

5.50.020 - Definitions.

Unless otherwise provided herein, the definitions of all terms used within this chapter shall be as defined below and by Section 16.16.445, or as defined by Section 1.04.050 (with these definitions and Section 16.16.445 taking precedence over Section 1.04.050 in the event of conflict). Any ambiguity in the definitions used herein shall be resolved in favor of the City's understanding of the term.

"Delivery dispensary" means a dispensary, with a permanent fixed location within the city, limited to retail sales of medical cannabis, or medical cannabis products, occurring exclusively through delivery. All retail sales are prohibited at the physical location of the delivery dispensary.

"Employee" means any person (whether paid or unpaid) who provides regular labor or regular services for a delivery dispensary, including but not limited to at the location of a delivery dispensary.

"Live scan" means a system for inkless electronic fingerprinting and the automated background check developed by the California Department of Justice

(DOJ) which involves digitizing fingerprints and electronically transmitting the fingerprint image data along with personal descriptor information to computers at the DOJ for completion of a criminal record check; or such other comparable inkless electronic fingerprinting and automated background check process as determined by the city council.

"Location" means a single building with an assigned address within the city, controlled, leased, or owned by the applicant, or a single suite controlled, leased or owned by the applicant at a single address within the city, or a combination of suites, at a single building with an assigned address within the city, adjacent to one another, controlled, leased or owned by the applicant, from which access is provided between the suites, without the need to exit the building.

"Manager" means an employee responsible for management and/or supervision of a delivery dispensary.

5.50.030 – Operation prohibited ~~without delivery dispensary permit.~~

It shall be unlawful to own, establish, operate, use, or permit the establishment or operation of a delivery dispensary, or to participate with a delivery dispensary as an employee, contractor, agent, volunteer, or in any manner or capacity ~~other than as provided in this chapter and pursuant to a valid permit issued under this chapter,~~ **except as authorized under section 5.50.040 of this code.** The general prohibition contained in this section shall include renting, leasing, or otherwise permitting a delivery dispensary to occupy or use a location, vehicle, or other mode of transportation.

5.50.040 - **Amortization of** delivery dispensary permit.

Any existing delivery dispensary with a valid permit and currently operating in good standing may continue operations on and after December 1, 2024 if all of the following conditions are met:

- A. The delivery dispensary must submit a written appeal to the City Manager for the continued operation of its business on and after December 1, 2024. The written appeal shall be submitted no later than fifteen (15) days from the effective date of the ordinance.***
- B. The written appeal must contain the reason(s) for seeking the continued operation of the delivery dispensary, and shall be accompanied by any documents, and information deemed necessary to adequately explain in detail the grounds for the appeal. Such documents and information shall include, but not be limited to, reasonable investment-backed expectations and other economic or financial information. The appeal must also contain a statement in writing by the appellant that he or she certifies under penalty of perjury that all the information contained in the appeal is true and correct.***

- C. Within forty-five (45) days, or as mutually agreed to by both parties, the City Manager or designee shall conduct an administrative hearing to determine whether the delivery dispensary is authorized to continue its operations with a valid permit. Notice of the hearing shall be provided in writing at least thirty (30) days before the hearing.**
- D. During the hearing, the City Manager or designee shall receive written and oral testimony regarding whether the delivery dispensary shall continue operations on and after December 1, 2024, including any additional information that was not provided to the City in the written appeal.**
- E. Within seven (7) days after the close of the hearing, the City Manager or designee shall issue a written decision with findings, based on the weight of evidence presented, of whether the delivery dispensary shall continue operations on and after December 1, 2024. Said decision shall be binding and final, subject to judicial review under Section 1094.5 and 1094.6 of the Code of Civil Procedure.**
- F. Except as warranted under the circumstances and based upon factual findings, the continued operations of the delivery dispensary shall not exceed a maximum of five (5) years from the date of the written decision.**
- ~~A. Prior to initiating operations as a delivery dispensary and as a continuing requisite to conducting operations, the owner of a delivery dispensary shall obtain a permit from the director under the terms and conditions set forth in this chapter.~~
- ~~B. Delivery dispensary permits shall be issued to a single location. Each delivery dispensary must apply for and receive approval for an individual location.~~
- ~~C. Delivery dispensary permits issued pursuant to this chapter shall automatically expire one year from the date of issuance.~~
- ~~D. Renewal of delivery dispensary permits shall follow the same procedures as provided for herein for the issuance of a new delivery dispensary permit, such procedures subject to written modification by the director.~~
- GE. Conditions necessary for the continuing validity of any and all permits issued for the operation of a delivery dispensary include:**
 - 1. Strict adherence to each and every requirement of this chapter.
 - 2. Allowing the director, or designee, and the police department to conduct reasonable inspections of the location of the delivery dispensary at the discretion of the city, including but not limited to

inspection of security, inventory, and written records and files pertaining to the delivery dispensary, for the purposes of ensuring compliance with local and state law.

3. Maintaining with the city current and valid contact information of the owner(s) and manager(s) of the delivery dispensary.
4. Maintaining with the city current and valid contact information of a legal representative of the delivery dispensary.
5. Maintaining a valid State License of the type: M-Type 9 Non-Storefront Retailer.
6. Maintaining a valid city business license.
7. **Maintaining** a valid certificate of occupancy.
8. **Providing the name, address, phone number, and copies of the driver's license or valid identification cards for each person listed on the business license and each person who is managing or responsible for the delivery dispensary's activities.**
9. **Providing evidence satisfactory to the director of compliance with all insurance requirements of this chapter.**
10. **Providing the name, address and current phone number of the owner and lessor of the real property upon which the delivery dispensary is to be conducted; and a notarized acknowledgement from the owner of the property that a delivery dispensary will be operated on his/her property.**
11. **Complying with the previously approved commercial cannabis delivery site plan, security and lighting plan, photometric plan, and any other approved plan.**

Satisfactory evidence of the foregoing shall be provided upon each anniversary of the decision to continue operations of the delivery dispensary.

5.50.050 – **RESERVED** – ~~Application for delivery dispensary permit.~~

~~Each person, firm, partnership, or corporation desiring a delivery dispensary permit shall file an application with the director upon a form provided by the city, and shall pay a filing fee as established by resolution adopted by the city council from time to time. An application shall include, but not be limited to, the following:~~

~~A. A completed business license application; and~~

- ~~B. Copies of the driver's license or valid identification cards for each person listed on the license application; and~~
- ~~C. All fees required; and~~
- ~~D. Certification from appropriate city departments that facility inspections by city staff confirm complete compliance with all the requirements of this Chapter, including but not limited to the general operating standards and restrictions contained in Section 5.50.100; and~~
- ~~E. Completed live scan forms (provided by the city for all business owners and applicants) that are both dated within seven days of application submittal and will allow processing by city (or as otherwise authorized by law) of live scan; and~~
- ~~F. Address of the location where the delivery dispensary will be located; and~~
- ~~G. A Commercial Cannabis Delivery Site Plan, in the form prescribed by the city, showing the proposed location of the dispensary, location of security cameras, locations of all of entrances and exits, designs of proposed signage, and interior floor plan, including, but not limited to, storage areas, locked rooms designed to store cannabis, or cannabis product, employee areas, and loading and unloading zones; and~~
- ~~H. A Security and Lighting Plan, in accordance with Section 5.50.100 (C), in the form prescribed by the city, detailing the security measures to be in place at the facility, including, but not limited to, all required security and alarm contracts, security camera placement, window and door locking mechanisms, secure inventory system, and any other measures in place to ensure the security of the facility and cannabis or cannabis product;~~
- ~~I. A photometric plan of the entire site, inclusive of all existing and proposed outdoor lighting, which shall be professionally prepared and subject to a sample, provided by applicant, taken at night, showing the site is properly lit and the security cameras ability to capture images with the provided lighting; and~~
- ~~J. Reserved.~~
- ~~K. Evidence satisfactory to the director of compliance with all state law requirements governing medical cannabis dispensaries; and~~
- ~~L. Evidence satisfactory to the director of compliance with all insurance requirements of this chapter; and~~
- ~~M. The name, address and current phone number of any person who is managing or responsible for the delivery dispensary's activities; and~~

- N. ~~The name, address and current phone number of the owner and lessor of the real property upon which the delivery dispensary is to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied with a notarized acknowledgement from the owner of the property that a delivery dispensary will be operated on his/her property.~~
- O. ~~Authorization for the director to seek verification of the information contained within the application.~~
- P. ~~A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.~~
- Q. ~~Any such additional and further information as is deemed necessary by the director to administer this chapter.~~

5.50.060 – **RESERVED** ~~Review of delivery dispensary permit applications.~~

- A. ~~Upon receipt of a completed application and payment of the application and required fees, the director shall investigate the information contained in the application to determine whether the applicant shall be issued the requested permit.~~
- B. ~~If the director determines that the applicant has completed the application improperly, the director shall notify the applicant of such fact within sixty (60) days of receipt of the application. The applicant shall make all corrections required and resubmit the application and any other information required to satisfy the corrections. Applicants must successfully complete Part I of the application process within six months of the initial application date. Applicants must commence with Part II of the application process within ninety days of the approval of Part I. Applications that do not meet these deadlines shall be considered denied.~~
- C. ~~Within ninety (90) days of receipt of the completed application, the director shall complete the investigation, approve or deny the application in accordance with the provisions of this chapter, and so notify the applicant by United States mail, first class postage prepaid, addressed to the applicant at the address stated in the application.~~
- D. ~~Upon completing the review process, the permit shall be deemed a qualified application, unless the director finds:~~
 - 1. ~~The applicant has made one or more false or misleading statements or omissions, either on the written application or during the application process; or~~
 - 2. ~~A proposed location for the delivery dispensary is not allowed by state or local law, statute, ordinance, or regulation (including this code); or~~

- ~~3. The applicant is not a primary caregiver, qualified patient, or otherwise qualified to operate a medical cannabis dispensary under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); or~~
- ~~4. The applicant has not satisfied each and every requirement of this chapter and Code; or~~
- ~~E. The applicant does not comply with applicable state law, including, but not limited to, applicable requirements and minimum standards of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). If an application is granted a permit will not be issued until and unless full compliance by the successful applicant with the requirements of Section 5.50.90 ("Obligations of Delivery Dispensary").~~
- ~~F. If the Director neither grants nor denies a complete application within ninety (90) days after it is received (except as provided in Section 5.50.060(B)) the application shall be forwarded to the city council at its next regularly scheduled meeting for consideration in strict conformance with the requirements of this chapter.~~
- ~~G. Based on the information set forth in the application and the director's review, the director may impose reasonable terms and conditions on the use of the permit in addition to those specified in this chapter to ensure the safe operation of the delivery dispensary, and to ensure the health, safety and welfare of the citizens and visitors of the City of Hesperia.~~

5.50.070 - Denial or revocation of delivery dispensary permit.

- ~~A. Denial or revocation. The director may deny or revoke a delivery dispensary permit if any of the following is found:~~
 - ~~1. No person may apply for, or be granted, a **hold a valid** permit to operate a delivery dispensary within the city who has been determined (whether by operation of the Hesperia Municipal Code, or other controlling law) to be in violation, within fifteen (15) years prior to the operative date of this chapter, either administratively, criminally or otherwise, of a prohibition on operating a cannabis dispensary of any type within the city, and has not paid such fines and fees as a result of such violations.~~
 - ~~2. Additionally, no person shall employ a person at a delivery dispensary within the city who has been determined (whether by operation of the Hesperia Municipal Code, or other controlling law), to be in violation within fifteen (15) years prior to the operative date of this chapter, either administratively, criminally, or otherwise, of a prohibition on operating a cannabis dispensary of any type within the city, and has not paid such fines and fees as a result of such violations.~~

3. The results of the live scan reveal a criminal conviction described in Business and Professions Code Section 26057 (4)(A-E), and as may be amended from time to time. Except as provided in subparagraphs (D) and (E) of paragraph (4) of Business and Professions Code Section 26057, a prior conviction, where the sentence, including any term of probation, incarceration, or supervised release, is completed, for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance, shall not be the sole ground for denial of a license.
 4. Conviction for any controlled substance felony, as that term is used in Business and Professions Code Section 26057, subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.
 5. Failure to obtain and maintain a valid seller's permit required pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.
 6. Failure to comply with any state or local law pertaining to commercial cannabis activity.
 7. If it is found that the applicant is operating an unlicensed cannabis business and does not completely cease operations during the application process until such time that they are licensed by the City and State.
- B. Cure Period. Prior to revocation of a delivery dispensary permit, the permittee shall be provided with a written notice which details the violation(s). The permittee shall have seven days to cure the violation to the satisfaction of the director. The seven-day cure period may be extended by the director or the city council for reasonable cause.

5.50.075 - Appeals.

~~Appeals.~~ Any decision regarding an application for, a renewal of, or the revocation of, a delivery dispensary permit may be appealed to the city manager by an applicant or (former) permit holder as follows: ***in accordance with section 5.50.040 of this chapter.***

- ~~1. Appellant must file a written appeal with the Hesperia City Clerk within ten calendar days of the decision. The written appeal shall specify the person making the appeal, identify the decision appealed from, state the reasons for the appeal, and include any evidence in support of the appeal.~~
- ~~2. Notice of the time and place of an appeal hearing shall be provided to the appellant within thirty (30) days of receipt of the written appeal by the Hesperia City Clerk.~~

- ~~3. The appeal hearing shall be held within sixty (60) days of the filing of the written appeal with the Hesperia City Clerk, unless the 60-day time limit is waived by the appellant, or unless the city manager or designee continues the appeal hearing date for good cause and upon written notification to the appellant.~~
- ~~4. The city manager or designee shall review the facts of the matter, written documents submitted for review, the basis for making the decision which is under appeal, and then determine whether the director's decision should be reversed or affirmed. The determination made shall be in writing, shall set forth the reasons for the determination, and shall be final. 5. The provisions of Sections 1094.5 and 1094.6 of the Code of Civil Procedure set forth the procedure for judicial review of any final determination.~~

5.50.080 - Penalty for violation.

- A. Any violation of the provisions of this chapter shall constitute a separate offense for each and every day during which such violation is committed or continued and shall be subject to all remedies and enforcement measures authorized by the Hesperia Municipal Code for violation of the law.
- B. To the fullest extent allowed under state law, any person, whether as principal, employee, agent, partner, director, officer, stockholder, or trustee or otherwise, violating or causing the violation of any of the provisions of this chapter shall be guilty of a misdemeanor, and any conviction thereof shall be punishable by a fine of not more than one thousand dollars (\$1,000.00) or by imprisonment for not more than six months, or by both such fine and imprisonment.

5.50.090 - Obligations of delivery dispensary.

- A. ~~Before receiving possession of an approved delivery dispensary permit, as provided for in this chapter,~~ The delivery dispensary permit holder shall to the satisfaction of the director:
 1. Provide written authorization to the director as well as the police department, to conduct reasonable inspections of the location of the delivery dispensary at the discretion of the city, including but not limited to inspection of security, inventory, and records and files pertaining to the delivery dispensary, for the purposes of ensuring compliance with local and state law.
 2. Execute an agreement indemnifying the city, its elected officials, employees, agents, officers, and representatives, and each and all of them individually, from all liability in connection with all claims, damages, attorney's fees, costs, and allegations arising from or in any way related to the operation of the delivery dispensary.

3. Execute an agreement to:
 - a. Defend, at the delivery dispensary permit holder's sole expense, any action against the city, its elected officials, employees, agents, officers, and representatives, and each and all of them individually, which arises from the operation of the delivery dispensary.
 - b. To reimburse the city for any court costs and attorney fees that the city may be required to pay as a result of such action. The city may, at its sole discretion, participate at its own expense in the defense of any such action.
- B. Upon and after receiving possession of a delivery dispensary permit as provided for in this chapter, the delivery dispensary permit holder shall:
 1. Maintain continuing compliance with all of the insurance requirements of Section 5.50.100(F) of this chapter.
 2. Immediately update the director in writing with correct and current contact information, when there is any change in the address or phone number, previously provided to the city in compliance with this chapter, for any owner(s), manager(s) or legal representative(s) of the delivery dispensary.
 3. Comply with all conditions of approval prescribed by the director for operation of the delivery business.
- C. Failure to perform the aforementioned actions of this Section 5.54.090 shall render the operation of a delivery dispensary unlawful.

5.50.100 - General operating standards and restrictions.

- A. Hours of operation shall be limited to 7:00 a.m. to 10:00 p.m.
- B. Regulations.
 1. No delivery dispensary shall offer retail services or dispense in any manner to customers on site of any product, including but not limited to cannabis and cannabis accessories. All products shall be delivered to patients, or qualified caregivers, at a fixed residential address other than the dispensary.
 2. There shall be no sale or delivery of industrial hemp products.
 3. There shall be no sale or delivery to any person not in possession of a valid identification card denoting the person as a qualified patient or a caregiver as defined by law.

4. Delivery shall only be made to residential homes, and no delivery or exchange of goods for money shall occur on city streets, sidewalks, or public ways.
5. Consumption of alcohol and cannabis products is prohibited in the establishment as well as in any vehicles used for delivery.
6. All vehicles associated with the business shall carry in the vehicle a copy of the valid, unexpired business license.

C. Security.

1. All cannabis and related products shall be stored in a secured and locked room. As no retail sales are permitted, no display of cannabis or related products is permitted.
2. No person may be an employee of a delivery dispensary who has been convicted of a crime involving the illegal distribution of narcotics within the last seven years, dated from time of conviction, or if the conviction required incarceration, the time of release, whichever is later.
3. The facility and parking area shall be equipped with security lighting at each entrance, and no less than five other points on the building or property as approved by the city, and at all gated entrances. Entrance lighting and parking area lighting shall not require motion to activate and shall provide adequate lighting without the aid of motion-detecting lights. Security lighting shall illuminate the entire entrance, and the adjacent parking area upon motion detection. Each light shall provide at least 0.1-foot candle intensity. This lighting shall be in addition to any other lighting requirements of this code.
4. The facility shall be alarmed with a centrally monitored fire and burglar alarm system, and monitored by an alarm company properly licensed by the State of California Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with California Business & Professions Code section 7590 et seq. and whose agents are properly licensed and registered under applicable law.
5. Security cameras shall be installed on the property, maintained in good condition, and shall provide a clear, unobstructed view of the parking area, all entrances, loading areas, bays, windows, and any other areas as determined by the director. The cameras shall be in use twenty-four (24) hours per day, seven days per week. All recordings shall be digitally recorded and kept for no less than ninety (90) days and shall be made available to the police department upon

request. All recordings shall be time and date stamped. All security cameras shall be properly maintained and kept in working order.

6. Cannabis or cannabis product shall not be stored, kept, or otherwise accessed from outside the building. Loading and unloading of cannabis or cannabis products is allowed during business operating hours only and must be completed at the rear of the building. Loading and unloading may be allowed at the front of the building, at the discretion of the director, providing that all of the below is true:
 - i. That there is a roll-up door or doors, which are attached to and part of the cannabis business location; and
 - ii. That the interior of the building accessible by the roll-up door(s) is large enough to accommodate a vehicle, completely inside the facility; and
 - iii. That the roll-up door(s) can be closed completely, concealing the vehicle during the loading, and unloading of cannabis product; and
 - iv. That the roll-up door(s) remain closed and locked when not in use; and
 - v. All loading and unloading of cannabis occurs inside of the building with the roll-up door closed.
 7. All exterior doors shall remain locked and be accessible for operation by employees only, and all windows shall be secured against entry from the outside. Exterior doors shall be properly equipped with panic hardware as required by all applicable state codes.
 8. All cannabis present or kept at the premises shall be securely stored against both unauthorized access as well as theft.9. Cannabis and cannabis products prepared for delivery shall be stored in secure containers within the trunk of the delivery vehicle during delivery.
- D. Odor Control. A delivery dispensary shall have an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the delivery dispensary shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location of the delivery dispensary is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the delivery dispensary, if the use only occupies a portion of a building.
- E. Records.

1. Delivery dispensaries shall maintain records reflecting:
 - a. The full name, address, and telephone number(s) of the owner and lessee of the property.
 - b. The full name, address, and telephone number(s) of all employees.
 - c. The delivery of medical cannabis, including but not limited to the identity of the recipient using the unique identifier supplied to them by the state, the amount delivered, the date of the delivery, the address of the delivery, the name of the employee making the delivery, and a written receipt confirming the delivery by signature of the receiving person(s).
 - d. A written accounting of all expenditures, costs, revenues, and profits of the delivery dispensary.
 - e. A copy of the delivery dispensary's required insurance policy and all other insurance policies related to the operation of the delivery dispensary.
 - f. An inventory record documenting the dates and amounts of medical cannabis received at the medical cannabis dispensary, the daily amounts of medical cannabis stored at the location of the medical cannabis dispensary, and the daily amounts distributed.
 - g. Proof of a valid and current permit issued by the city in accordance with this chapter. Every medical cannabis dispensary shall display at all times during business hours the permit issued pursuant to the provisions of this chapter in a conspicuous place.
2. Records shall be maintained on-site, either in paper or electronic form, and secured and verified by the director as needed (consistent with requirements pertaining to patient confidentiality pursuant to applicable State and Federal law).
3. All records required to be maintained by the delivery dispensary must be maintained for no less than three years and are subject to immediate inspection upon written request by the director.
 - a. Records pertaining to the operation of the delivery dispensary, including but not limited to taxation remittance to state, county or city, revenue, product inventory, etc. shall be subject, at the city's discretion, to an audit, performed by a company selected by the city. The business owner shall pay any required fees, as

adopted by the city council, for the performance of the audit. Upon notification by city that there is an intent to perform an audit, the business owner shall remit the fee for the audit to the city within thirty (30) days.

F. Insurance.

1. A delivery dispensary shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to the director, the following policies of insurance in the amounts and of the types that are acceptable to the director, with minimal coverage provided of:
2. Throughout the life of the license, the licensee shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VIII" in Best's Insurance Rating Guide, or (ii) authorized by city manager or his/her designee and in his/her sole discretion. The following policies of insurance are required:
3. Commercial general liability insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than one million dollars (\$1,000,000.00) per occurrence for bodily injury and property damage, one million dollars (\$1,000,000.00) per occurrence for personal and advertising injury, two million dollars (\$2,000,000.00) aggregate for products and completed operations and two million dollars (\$2,000,000.00) general aggregate.
4. Commercial automobile liability insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "scheduled auto", "hired auto" and "non-owned auto" with limits of liability of not less than one million dollars (\$1,000,000.00) per accident for bodily and property damage.
5. Workers' compensation insurance as required under the California Labor Code.

6. Employers' liability insurance with minimum limits of one million dollars (\$1,000,000.00) each accident, one million dollars (\$1,000,000.00) disease each employee and one million dollars (\$1,000,000.00) disease policy limit.
7. Licensee shall be responsible for payment of any deductibles or self-insured retentions contained in any insurance policies required hereunder.
8. All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the city. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, licensee shall furnish city with a new certificate and applicable endorsements for such policy(ies). In the event any policy(ies) is due to expire during the license, licensee shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than fifteen (15) calendar days prior to the expiration date of the expiring policy(ies).
9. The general liability (including ongoing operations, and products, and completed operations) and automobile liability insurance policies shall be endorsed to name the city and its officers, officials, employees, agents, and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so permittee's insurance shall be primary, and no contribution shall be required of city, its officers, officials, employees, agents, and volunteers. Any workers' compensation insurance policy shall contain a waiver of subrogation as to city, its officers, officials, employees, and agents. The coverage shall contain no special limitations on the scope of protection afforded to city and its officers, officials, employees, agents, and volunteers. Should licensee maintain insurance with broader coverage and/or limits of liability greater than those shown above, the city requires and shall be entitled to the broader coverage and/or the higher limits of liability maintained by the licensee. Licensee shall furnish city with the certificate(s) and applicable endorsements for all required insurance fourteen (14) days prior to the issuance of the permit.
10. If the general liability insurance policy is written on a claims-made form:(1)The retroactive date must be shown, and must be before the effective date of the agreement or the commencement of work by consultant.(2)Insurance must be maintained and evidence of insurance must be provided for at least three years after any expiration or termination of the agreement or, in the alternative, the

policy shall be endorsed to provide not less than a 3-year discovery period.(3)If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the agreement or the commencement of work by consultant, consultant must purchase extended reporting coverage for a minimum of three years following the expiration or termination of the agreement.(4)A copy of the claims reporting requirements must be submitted to city for review.(5)These requirements shall survive expiration or termination of the article.

11. Upon request of city, licensee shall immediately furnish city with a complete copy of any insurance policy required under this agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive the expiration or revocation of the license.
 12. If at any time during the license, licensee fails to maintain the required insurance in full force and effect, all work licensed thereunder shall be discontinued immediately until notice is received by city that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to city. Any failure to maintain the required insurance shall be sufficient cause for the city to revoke the license.
 13. Note: The certificate of insurance must be accompanied by the additional insured, primary insurance, and waiver of subrogation endorsements, as required above.
 14. All of the above policies of insurance shall be primary insurance and shall name the city, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by city or its officers, employees or agents may apply in excess of, and not contribute with the above policies of insurance.
 15. No permit may be issued pursuant to this chapter until the applicant for a medical cannabis dispensary permit has provided the city with certificates of insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said certificates of insurance or binders are approved by the city. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time.
- G. The regulations contained in this chapter shall not apply to a medical cannabis dispensary engaged in the following uses, as long as such use complies strictly with applicable law regulating such use and the location of

such use, including, but not limited to, Health and Safety Code sections 11362.5 and 11362.7 et seq.; a clinic permitted pursuant to Chapter 1 of Division 2 of the Health and Safety Code; a health care facility permitted pursuant to Chapter 2 of Division 2 of the Health and Safety Code; a residential care facility for persons with chronic life-threatening illness permitted pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code; a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code; a residential hospice; or a home health agency permitted pursuant to Chapter 8 of Division 2 of the Health and Safety Code.

5.50.110 - Fees.

- A. Fees. ~~An application fee set by resolution of the city council shall be required for formal processing of every application made under this chapter.~~ The city council is authorized to pass resolutions to recover any and all fees and costs incurred by the implementation of this chapter through an appropriate fee recovery mechanism to be imposed upon delivery dispensaries and their operations.
- B. State Board of Equalization Seller's Permit Required. The State Board of Equalization has determined that medical cannabis transactions are subject to sales tax, regardless of whether the individual or group makes a profit, and those engaging in transactions involving medical cannabis must obtain a seller's permit from the State Board of Equalization.

5.50.120 - Public nuisance and abatement.

In addition to the penalties set forth in this chapter, any delivery dispensary that is operating in violation of any provisions of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation, in accordance with the procedures set forth in Chapter 1.12 (Municipal Code Enforcement) of Title 1 (General Provisions) of the Hesperia Municipal Code.

5.50.130 - Suspension and revocation.

- A. The director is authorized to suspend and/or revoke delivery dispensary permits issued pursuant to this chapter upon the determination through written findings of a failure to comply with any provision of this chapter, any condition of approval, or any agreement or covenant as required pursuant to this chapter.
- B. The director may suspend or revoke a delivery dispensary permit if any of the following occur:

1. The director determines that the delivery dispensary has failed to comply with any aspect of this chapter, any condition or approval, or any agreement or covenant as required pursuant to this chapter; or
 2. Operations cease for more than ninety calendar days; or
 3. Ownership is changed without securing a new delivery dispensary permit; or
 4. The delivery dispensary fails to maintain required security camera recordings; or
 5. The delivery dispensary fails to allow inspection of the security recordings, the activity logs, the records, or of the premise by authorized city officials.
 6. The delivery dispensary's state license is suspended, revoked, or denied. Should the license be suspended the delivery dispensary owner shall provide up to date information to the City regarding the reinstatement of the license. Should the license remain suspended for more than ninety days, the City may revoke the City license.
- C. Conditions (if any) of suspension or revocation are at the discretion of the director and may include, but are not limited to, a prohibition on all owners, operators and employees of the suspended or revoked delivery dispensary from operating within the city for a period of time set forth in writing and/or a requirement (when operations may resume, if at all, pursuant to the director's determination) for the holder of the suspended or revoked delivery dispensary permit to resubmit an application for a delivery dispensary permit pursuant to the requirements of this chapter.
- D. Suspension or revocation of a delivery dispensary permit pursuant to this chapter shall constitute a "revocation" for purposes of Business and Professions Code section 19320.

5.50.140 - Nonconforming use.

No use which purports to have distributed cannabis prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of the Hesperia Zoning Code, the Hesperia Municipal Code, or any other local ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.