



COUNTY OF HUMBOLDT

For the meeting of: 5/18/2021

File #: 21-559

To: Board of Supervisors

From: Agricultural Commissioner

Agenda Section: Consent

SUBJECT:

Approval of Standard Agreement No. 21-0022, known as the CalCannabis Cultivation Licensing Inspection Agreement

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve Standard Agreement No. 21-0022, known as the CalCannabis Cultivation Licensing Inspection Agreement;
2. Authorize the Chair to sign the original agreement, and the contractor certification form; and
3. Direct the Clerk of the Board to return all signed copies and a copy of the action summary order authorizing execution of this agreement to the agriculture department for further processing.

SOURCE OF FUNDING:

California Department of Food and Agriculture (CDFA), Agricultural Commissioner (1100-261)

DISCUSSION:

The waiver from the provisions of the nuclear free ordinance is requested because the State of California will not modify its “standard agreements” to accommodate local ordinances. County agricultural commissioners (CAC) are locally responsible for administration and enforcement of multiple state programs under the authority of CDFA as authorized by the California Food and Agriculture Code and Business and Professions Code. Passage of the Medical Cannabis Regulation and Safety Act (MCRSA) and the Adult Use of Marijuana Act mandated to CDFA significant responsibility for regulating cannabis cultivation and activities related to the production of commercial cannabis., Humboldt County has contracted with CalCannabis to perform state cultivation license site inspections since 2017.

In 2020, in an effort intended to improve access to licensing and simplify regulatory oversight of commercial cannabis activity, the Governor announced plans to consolidate the three licensing entities that are currently housed at - the Bureau of Cannabis Control, the Department of Food and Agriculture, and the Department of Public Health - into a single Department of Cannabis Control by July 2021. Prior to the proposed consolidation, CalCannabis contracted with twelve counties to perform state

license inspections. As a result of limited available funds and uncertainty around the future of county involvement performing State cultivation site inspections post consolidation, CalCannabis is only renewing inspection agreements with five counties (Humboldt, Sonoma, Monterey, Santa Barbara, and Sacramento). County inspections have become an essential component of CalCannabis' overall inspection and compliance program due to the significant number of licensees requiring inspection. In addition to cultivation site inspections, agricultural commissioners are also responsible for enforcing pesticide use enforcement and weights & measures compliance requirements for licensed cannabis cultivators. While on site to perform state cultivation license inspections, county staff also enforce applicable pesticide laws and regulations and test weights and measures devices.

Under terms of the agreement, the CAC shall perform cultivation site compliance inspections for CalCannabis of state-licensed commercial cannabis cultivators, nurseries, and processors. CAC staff is responsible for scheduling inspections and ensuring that all contracted inspections and documentation are completed. The CAC agrees to accept inspection assignments from CalCannabis and will report any non-compliances, denials of access to cultivation sites or recalcitrant licensees to CDFA. The CAC also agrees that staff will provide testimony in any administrative, criminal, civil or other enforcement proceedings as needed. The CAC shall allow CalCannabis special investigators to accompany CAC inspectors in the field upon request and county staff must be able to provide testimony in any administrative, criminal, civil or other proceeding.

FINANCIAL IMPACT:

Standard Agreement No. 21-0022 provides a total of \$182,000 in funding to Humboldt County for state license inspection activities for 2 fiscal years from July 1, 2021 to June 2023. Funding will be received by the Agricultural Commissioner Budget Unit 1100-261 Agriculture Programs.

Reimbursements for inspections are based on the number of licenses on a single premise and are reimbursed a flat fee for each inspection (reimbursement amounts based on number of licenses: 1-10 = \$400, 11-30 = \$500, 31-60 = \$600, 61+ = \$700). All costs for personnel, mileage and supplies are covered by the agreement. All costs are billed to CDFA monthly and payment is made in arrears to Humboldt County. No supplemental budget accompanies this request as revenue and expenditure account adjustments related to services performed under this agreement were funded in anticipation of this agreement.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by enforcing laws and regulations to protect residents [Click here to type another item\(s\) from the Strategic Framework, or leave as a period.](#)

OTHER AGENCY INVOLVEMENT:

CDFA CalCannabis Licensing Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

File #: 21-559

Standard Agreement No. 21-0022, agreement exhibits, county monthly invoice template and the contractor certification (CCC 04/2017)

PREVIOUS ACTION/REFERRAL:

Board Order No.: [Click or tap here to enter text.](#)

Meeting of: [Click or tap here to enter text.](#)

File No.: [Click or tap here to enter text.](#)