



COUNTY OF HUMBOLDT

For the meeting of: 7/28/2020

File #: 20-892

To: Board of Supervisors

From: Agricultural Commissioner

Agenda Section: Consent

SUBJECT:

Approval of Amendment 1 to Standard Agreement No. 18-0287, known as the CalCannabis Cultivation Licensing Inspection Agreement with the California Department of Food and Agriculture

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve Amendment 1 to Standard Agreement No. 18-0287, known as the CalCannabis Cultivation Licensing Inspection Agreement;
2. Authorize the Chair to sign two copies of the agreement amendment and direct the Clerk of the Board to return all copies and a copy of the action summary order authorizing execution of this agreement to the agriculture department for further processing; and
3. Grant a waiver from the provisions of the Nuclear Free Ordinance.

SOURCE OF FUNDING:

California Department of Food and Agriculture (CDFA), General Fund

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. 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.

On January 22, 2019, your Board approved Standard Agreement No. 18-0287, known as the CalCannabis Cultivation Licensing Inspection Agreement. Under terms of the agreement, the CAC will perform defined cannabis cultivation licensing inspections for CalCannabis of state-licensed commercial cannabis cultivators, nurseries and processors in compliance with MCRSA and CDFA regulations. The CAC is required to submit documentation for all completed inspections and agrees to accept inspection assignments from CalCannabis. The CAC will report any non-compliances and

agrees that staff will provide testimony in any administrative, criminal, civil or other enforcement proceedings as needed.

Due to two separate CalCannabis directed stops in County inspection activities during the 2019/20 fiscal year (transfer of oversight of County contracts from CalCannabis Enforcement Branch to the licensing branch and the Covid pandemic) the commissioner's office has \$79,200 remaining on Standard Agreement No. 18-0287. As a result, CalCannabis has offered contracting counties the option of amending existing agreements to extend the original expiration date of June 30, 2020. Amendment 1 to Standard Agreement 18-0287 extends the expiration date of the CalCannabis inspection agreement to June 30, 2021. All other terms of Standard Agreement 18-0287 remain unchanged.

FINANCIAL IMPACT:

Amendment 1 to Standard Agreement 18-0287 extends the expiration date of the CalCannabis inspection agreement to June 30, 2021. Humboldt County has \$79,200 remaining on the original inspection agreement. Standard Agreement 18-0287 reimburses Humboldt County \$400 for each cultivation site inspection, which covers costs for personnel, mileage and supplies for the Agriculture Department's Budget Unit 1100-261. All costs are billed to CDFA on a monthly basis and payment is made in arrears to Humboldt County. Expenditure accounts to support department activities associated with providing the CalCannabis license inspection services provided under this agreement were previously funded. The \$79.200 in revenue derived from providing the inspection services to CalCannabis will partially offset the anticipated loss of unclaimed gas tax revenue. CalCannabis has also indicated that additional funds for county inspection agreements will be made available.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by enforcing laws and regulations to protect residents .

OTHER AGENCY INVOLVEMENT:

CDFA

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board can choose not to approve the amendment. This is not recommended as doing so would put in jeopardy the county's ability to provide a much-needed service to the cannabis industry.

ATTACHMENTS:

Two copies of Amendment 1 to Standard Agreement No. 18-0287 and a fully executed copy of Standard Agreement No. 18-0287.

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-2

Meeting of: Jan. 22, 2019

File No.: N/A