



COUNTY OF HUMBOLDT
PLANNING AND BUILDING DEPARTMENT
CURRENT PLANNING DIVISION

3015 H Street Eureka CA 95501
Phone: (707) 445-7541 Fax: (707) 268-3792

Hearing Date: September 19, 2019

To: Humboldt County Zoning Administrator

From: John H. Ford, Director of Planning and Building Department

Subject: **Headwater Organics LLC**
Application Number 15753
Record Number PLN-2019-15753
Assessor's Parcel Number 404-023-018
3527 Greenwood Hts Dr. Kneeland, CA 95549

Table of Contents

Page

Agenda Item Transmittal
Recommended Action and Executive Summary
Draft Resolution

2
3
5

Maps

Topo Map
Zoning Map
Aerial Map
Site Plan

6
7
8
9

Attachments

Attachment 1: Recommended Conditions of Approval
Attachment 2: Findings for Approval
Attachment 3: CEQA Addendum
Attachment 4: Applicant's Evidence in Support of the Required Findings

11
12
29
33

Please contact Elizabeth Moreno, Planner, at 707-445-7541 or by email at emoreno@co.humboldt.ca.us if you have any questions about the scheduled public hearing item.

AGENDA ITEM TRANSMITTAL

Hearing Date	Subject	Contact
September 19, 2019	Special Permit Modification	Elizabeth Moreno

Project Description: Headwater Organics, LLC requests a Modification to an approved Special Permit for s a Microbusiness (PLN-2018-15092) consisting of 1,800 square feet of new mixed light cannabis cultivation, non-volatile manufacturing, and distribution on a 5-acre parcel. The Modification is to change the location of the processing, manufacturing, and distribution activity to a proposed new 880 square-foot commercial building instead of an existing garage. The applicant states that all activities are owner operated with no employees required. Electricity would be sourced from solar power. A generator will be in place in case of an emergency.

Project Location: This project is located in the Kneeland area, on the south side of Greenwood Heights Drive, approximately 0.38 miles west of the intersection of His LN and Greenwood Heights Drive, on the property known as 3527 Greenwood Heights Drive.

Present General Plan Land Use Designation: Residential Agriculture: 5 to 20 acres (RA5-20), Freshwater Community Plan, Density: 5 to 20 acres per dwelling unit, Slope Stability: Low Instability (1).

Present Zoning: Agriculture General (AG), Minimum building site area is 5 acres (B-5(5))

Application Number: 15753

Record Number: PLN-2019-15753

Assessor Parcel Number: 404-023-018

Applicant

Headwater Organics, LLC
3527 Greenwood Heights Dr,
Kneeland, CA. 95549

Owner

Tokoh Holding Company, LLC
340 S Lemon Ave #9623
Walnut, CA 91789

Agent

N/A

Environmental Review: An Addendum to a previously adopted Environmental Impact Report has been prepared for consideration per § 15164 of CEQA Guidelines.

State Appeal Status: Project is NOT appealable to the California Coastal Commission.

Major Issues: None.

HEADWATER ORGANICS, LLC
Record Number: PLN-2019-15753
Assessor's Parcel Number: 404-023-018

Recommended Commission Action

1. Describe the application as part of the Consent Agenda.
2. Survey the audience for any person who would like to discuss the application.
3. If no one requests discussion, make the following motion to approve the application as a part of the consent agenda:

Find that the Zoning Administrator has considered the Addendum to the Environmental Impact Report adopted for the Commercial Cannabis Land Use Ordinance pursuant to Section 15164 of the State CEQA Guidelines, make all of the required findings for approval of the Modification for the approved Special Permit based on evidence in the staff report, and adopt the Resolution approving the proposed Headwater Organics, LLC Modification for the approved Special Permit subject to the recommended conditions.

Executive Summary: Headwater Organics, LLC requests a Modification for an approved Special Permit for a Microbusiness (PLN-2018-15092) consisting of 1,800 square feet of new mixed light cannabis cultivation, non-volatile manufacturing, and distribution on a 5-acre parcel. The Modification is to change the location of the processing (including drying and trimming), manufacturing, and distribution activity to a proposed new commercial building instead of an existing garage. The new proposed building will be 880 square feet and will include secure entrances and facilities. All cultivation activities will be clearly separated by rooms.

Water for irrigation would be sourced from an existing on-site well. The projected water usage is 7,869 gallon per year (4.3 per square foot). An existing 60,000-gallon rainwater catchment pond will be used for fire suppression. The applicant states that all activities are owner operated, with no employees required. Electricity would be sourced from solar power. A generator will be in place in case of an emergency.

Three to four harvest cultivation cycles per year are anticipated. Processing will occur onsite in the proposed new commercial building. Cannabis will be frozen immediately after it is harvested or dried. Freezing the product will require less trimming and less space for storing than traditional hang drying. The processing area will include energy efficient freezers, a small drying area, and adequate shelving space. Manufacturing of cannabis involves non-volatile solvents. The process will use ice water and dry ice to separate the plant oils from the freshly frozen cannabis. Following the initial extraction, the product may be ready for distribution as Bubble Hash or selected for further extraction and made into Live Rosin. To further manufacture the product into Live Rosin, the applicant will use hydraulic or pneumatic heated plate presses.

Distribution activities include primarily storing cannabis product produced on site. The products will be transported to other distributors where it will be tested for final sale.

Water for irrigation is a non-hydrologically connected well. The applicant has submitted evidence that the well is not jurisdictional to the California Department of Fish and Wildlife. The applicant will use a drip irrigation system to minimize over watering and erosion. The existing 60,000-gallon rainwater catchment pond will be used for fire suppression purposes. The pond is a man-made pond.

Access to the subject parcel is from a County Maintained Road, Green Heights Drive. As such, Public Works recommended that the project be conditioned that the applicant apply for encroachment permit for the driveway into the parcel.

Entry to the cultivation site and the proposed new building will be restricted and will remain under constant lock. Only the operators will have access.

A cultural resources investigation was not prepared for the project, because Tribal Historic Preservation Officers recommended inadvertent discovery; however, the Wiyot Tribal Historic Preservation Officer has requested that prior to ground disturbance a tribal botanist visit the site to evaluate two plant species of concern described in the Biological Report prepared by NRM, dated August 22, 2018. As a Condition of Approval, the applicant will contact the Wiyot Tribe and set up a site visit prior to ground disturbance.

Staff recommends that the Zoning Administrator describe the application as a part of the consent agenda, survey the audience to see if any person would like to discuss the application and, if no one requests discussion, make all the required findings based on the evidence in the record and approve the application subject to the recommended conditions.

Alternatives: Several alternatives may be considered: 1) The Zoning Administrator could elect not to hear this item and put the decision making in front of the Planning Commission. Any decision to place this matter before the Planning Commission must be done before opening the public hearing on this project; 2) The Zoning Administrator could elect to add or delete conditions of approval; 3) The Zoning Administrator could deny approval of the requested permits if unable to make all of the required findings. Planning Division staff is confident that the required findings can be made based on the submitted evidence and subject to the recommended conditions of approval. Consequently, Planning Division staff does not recommend further consideration of these alternatives.

**RESOLUTION OF THE ZONING ADMINISTRATOR
OF THE COUNTY OF HUMBOLDT
Resolution Number 19-XXXX
Record Number: PLN-2019-15753
Assessor Parcel Number: 404-023-018**

Makes the required findings for certifying compliance with the California Environmental Quality Act and conditionally approves Headwater Organics, LLC Modification for an approved Special Permit request.

WHEREAS, Headwater Organics, LLC submitted an application and evidence in support of approving the Modification for the approved Special Permit for 1,800 square feet of new mixed light cannabis cultivation, a Distribution Facility, and a non-volatile Manufacturing Facility to change the location of the processing, manufacturing, and distribution activity to a proposed new 880 square-foot commercial building instead of an existing garage; and

WHEREAS, the County Planning Division has reviewed the submitted application and evidence and has referred the application and evidence to involved reviewing agencies for site inspections, comments and recommendations; and

WHEREAS, the County Planning Division, the lead agency, prepared an Addendum to the Final Environmental Impact Report prepared for the Commercial Cannabis Land Use Ordinance (CCLUO) adopted by the Humboldt County Board of Supervisors on May 8, 2018. The proposed project does not present substantial changes that would require major revisions to the previous Environmental Impact Report. No new information of substantial importance that was not known and could not be known at the time was presented as described by §15162(c) of CEQA Guidelines; and

WHEREAS, Attachment 2 in the Planning Division staff report includes evidence in support of making all of the required findings for approving the proposed a Modification to an approved Special Permit for Microbusiness (Record Number PLN-2019-15753); and

WHEREAS, a public hearing was held on the matter before the Humboldt County Zoning Administrator on September 19, 2019.

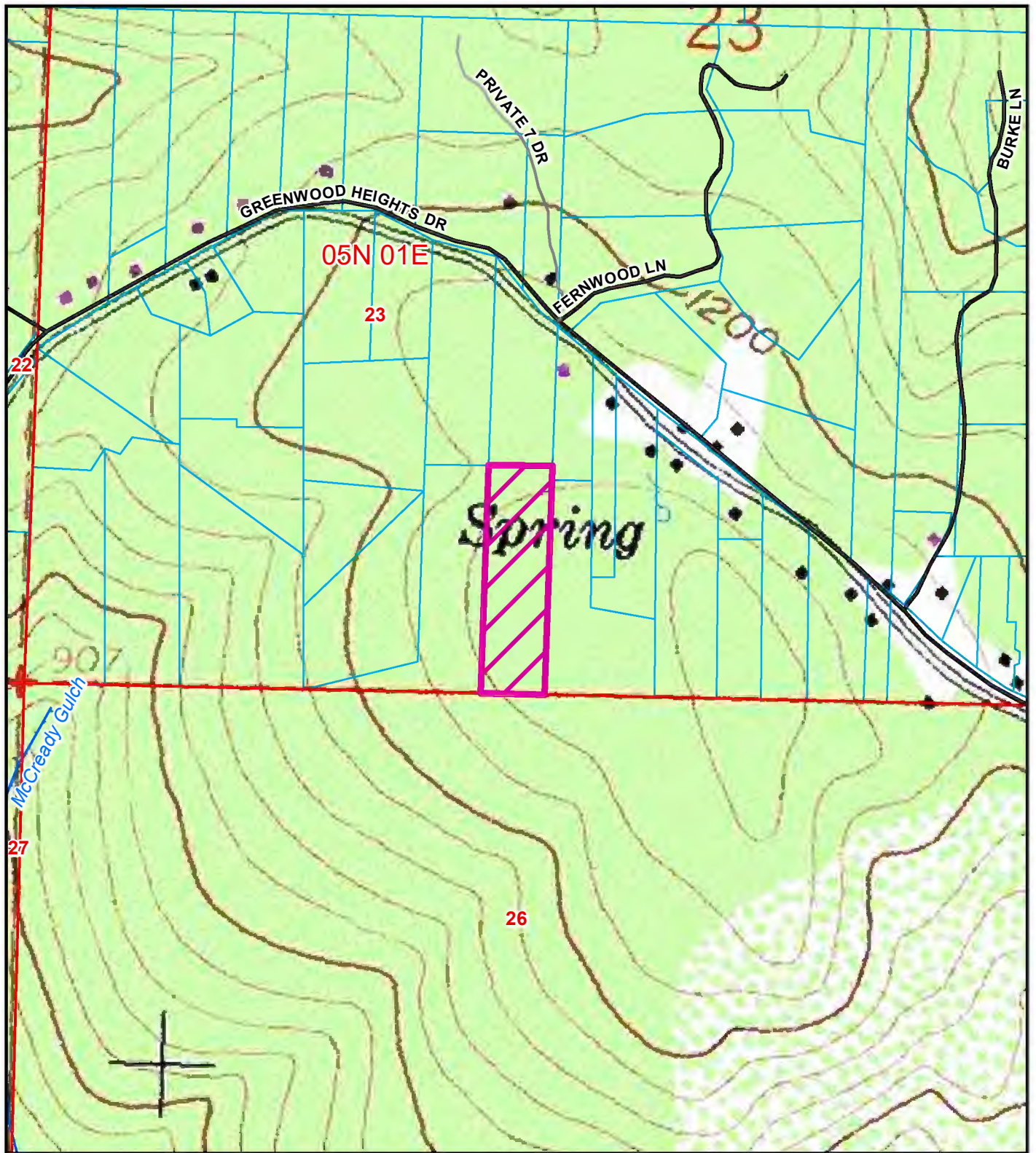
NOW, THEREFORE, be it resolved, determined, and ordered by the Humboldt County Zoning Administrator that the following findings be and are hereby made:

1. The Zoning Administrator adopts the Addendum to the EIR adopted for the Commercial Cannabis Land Use Ordinance (CCLUO); and
2. The Zoning Administrator makes the findings in Attachment 2 of the Planning Division staff report for Record Number PLN-2019-15753 based on the submitted substantial evidence; and
3. Modification for an approved Special Permit Case Number PLN-2019-15753 is approved as recommended and conditioned in Attachment 1.

Adopted after review and consideration of all the evidence on September 19, 2019.

I, John Ford, Zoning Administrator of the County of Humboldt, do hereby certify the foregoing to be a true and correct record of the action taken on the above entitled matter by said Zoning Administrator at a meeting held on the date noted above.

John Ford, Zoning Administrator
Planning and Building Department
County of Humboldt

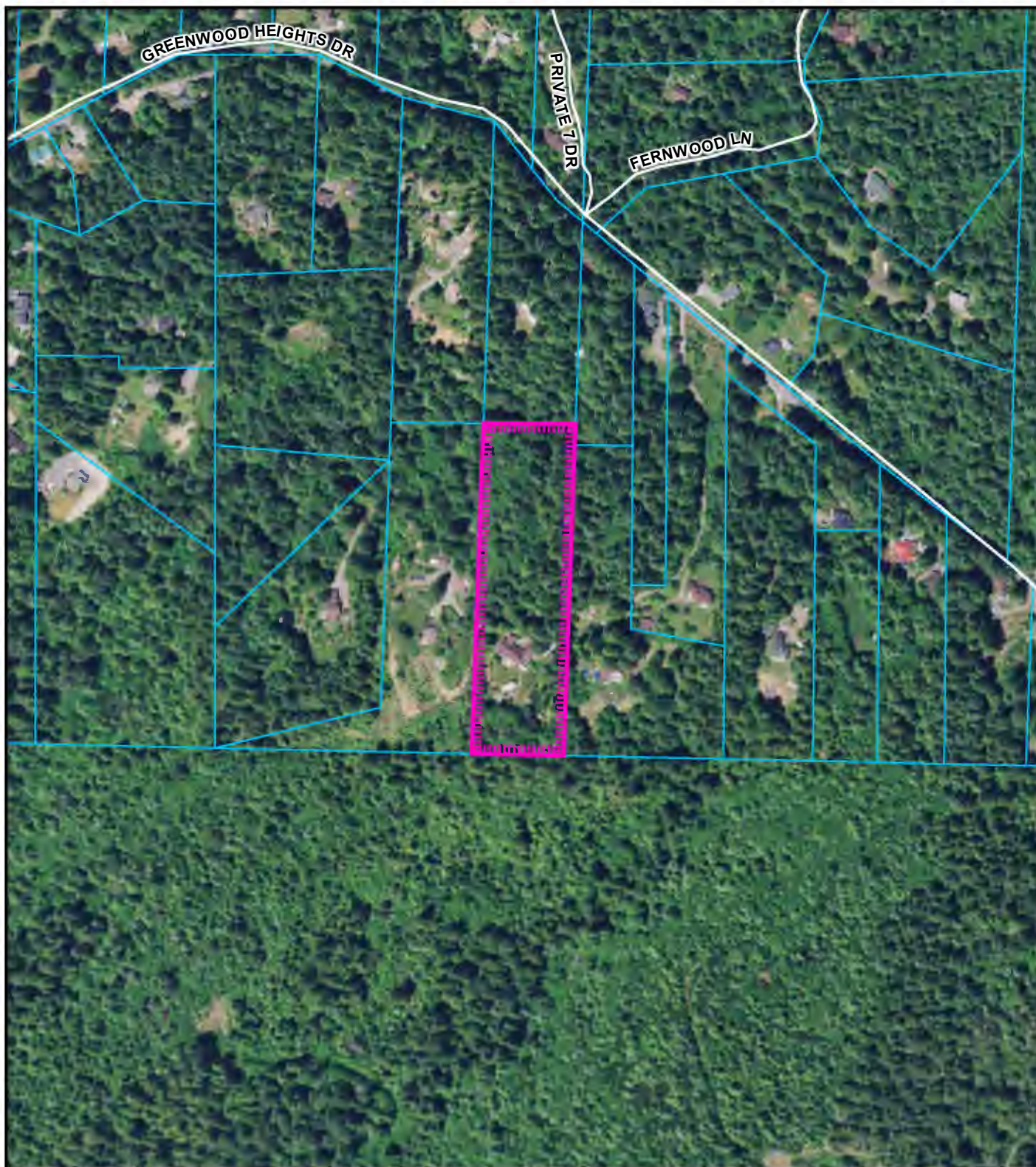


TOPO MAP
PROPOSED HEADWATER ORGANICS, LLC
KNEELAND AREA
PLN-2019-15753
APN: 404-023-018
T05N R01E S23 HB&M (ARCATA SOUTH)

Project Area = 

This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.

0 650 1,300 Feet



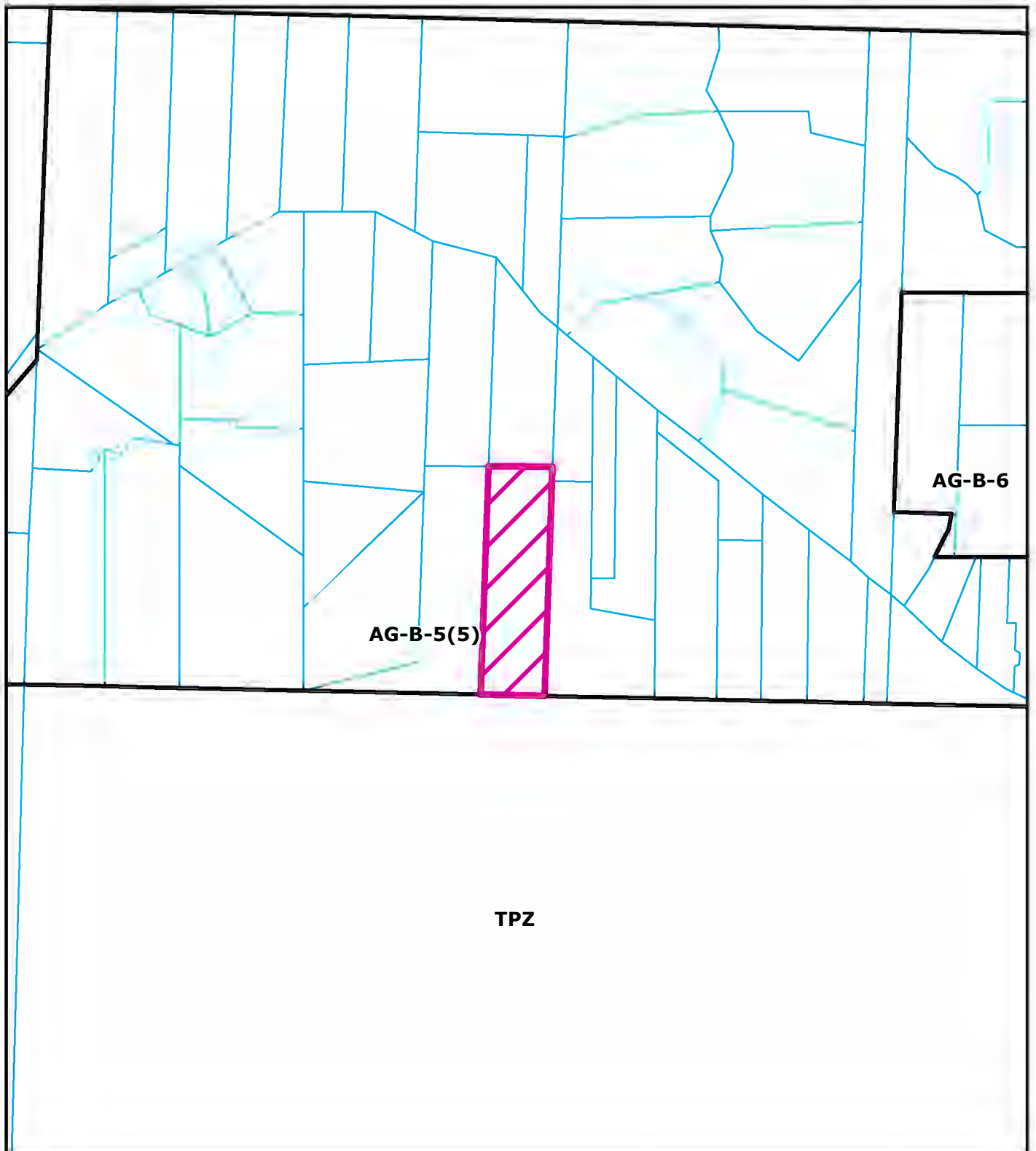
Project Area = 

AERIAL MAP
PROPOSED HEADWATER ORGANICS, LLC
KNEELAND AREA
PLN-2019-15753
APN: 404-023-018
T05N R01E S23 HB&M (ARCATA SOUTH)

This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.

0 485 970 Feet






Project Area = 

ZONING MAP
PROPOSED HEADWATER ORGANICS, LLC
KNEELAND AREA
PLN-2019-15753
APN: 404-023-018
T05N R01E S23 HB&M (ARCATA SOUTH)



This map is intended for display purposes and should not be used for precise measurement or navigation. Data has not been completely checked for accuracy.

0 650 1,300 Feet



DIRECTIONS TO THE SITE

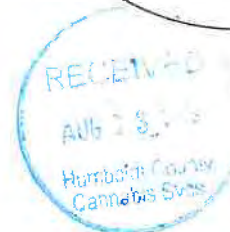
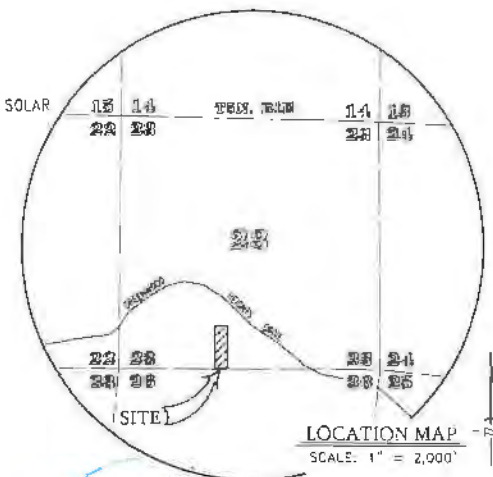
FROM THE CITY OF EUREKA TURN OFF MYRTLE AVENUE (ALSO KNOWN AS OLD ARCATO ROAD) TO FRESHWATER ROAD, THEN TURN LEFT IN APPROXIMATELY 100 FEET ON GREENWOOD HEIGHTS DRIVE, TRAVEL 3.5 MILES AND TURN ONTO SHARED DRIVEWAY FOR 3527 GREENWOOD HEIGHTS DRIVE, KNEELAND, APPROXIMATELY 1/4 MILE TO THE RESIDENCE.

UTILITIES

WATER	ON-SITE (WELL)
SEWER	ON-SITE DISPOSAL
GAS	ON-SITE (PROPANE)
ELECTRIC	PACIFIC GAS & ELECTRIC COMPANY & SOLAR
TELEVISION	DISH NETWORK

LEGEND

SYMBOL	INDICATES
	PARKING SPACE
	DIRECTION OF SURFACE WATER RUNOFF
(P)	PROPOSED
(E)	EXISTING
TYP.	TYPICAL
GAL.	GALLON
S.F.	SQUARE FEET
G.H.	GREENHOUSE
H.H.	HOOPHOUSE
ML	MIXED LIGHT
(YEAR)	YEAR CONSTRUCTED/INSTALLED
	WELL
1280	CONTOURS AT 40 FOOT INTERVALS
	EXISTING FENCE
	PRIMARY ACCESS ROAD



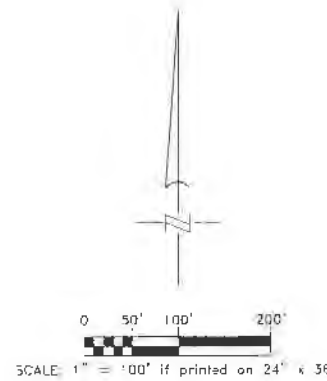
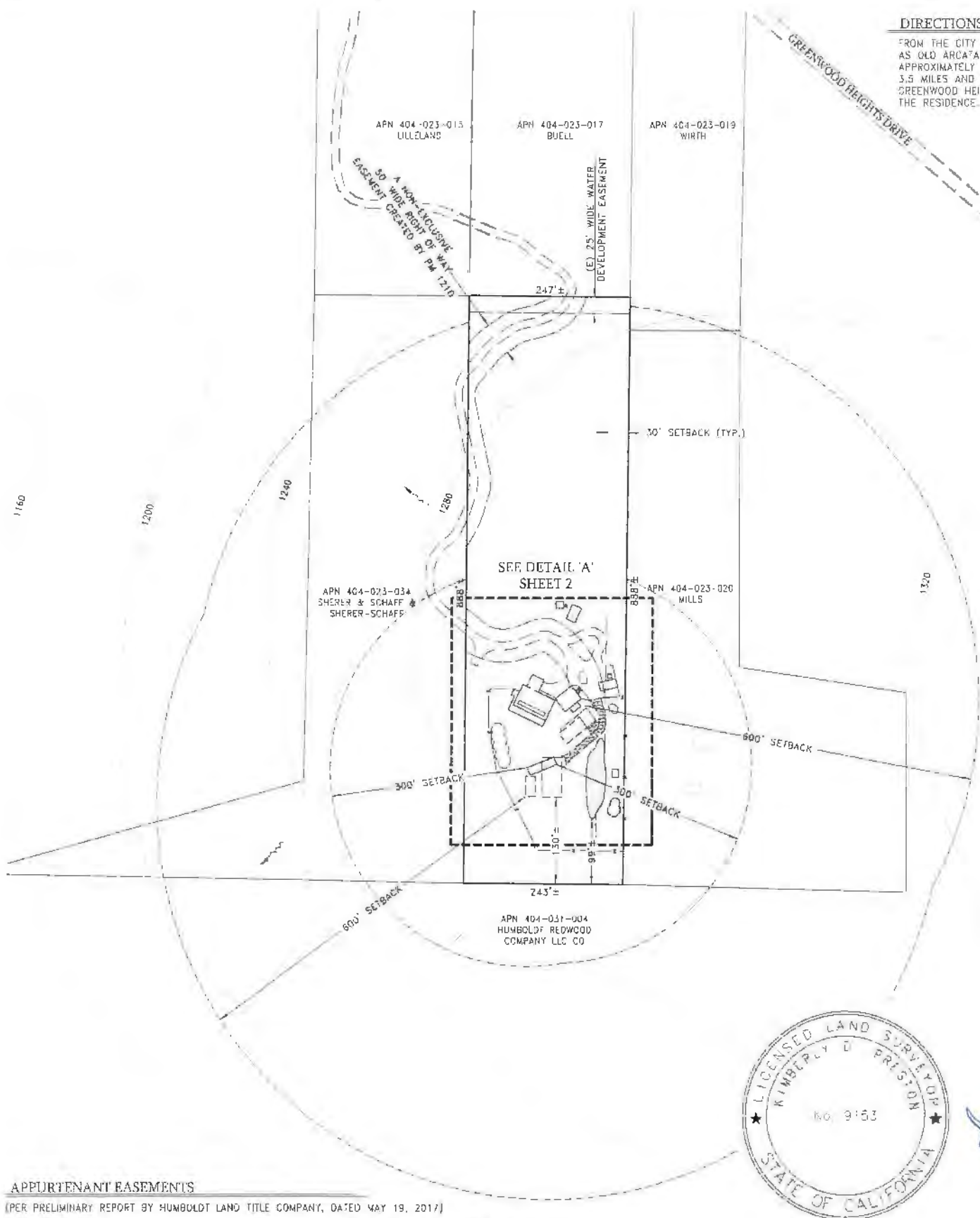
NOTES

- THIS PLAT PLAN, FOR APN 404-023-018 HAS BEEN PREPARED IN ACCORDANCE WITH HUMBOLDT COUNTY'S COMMERCIAL CANNABIS LAND USE ORDINANCE (CCLUO) NO. 2599, AND FOR THE PURPOSE OF ENROLLING AND/OR CERTIFYING THE SITE'S AGRICULTURAL OPERATIONS UNDER THE NORTH COAST REGIONAL WATER QUALITY CONTROL BOARD ORDER NO. R1-2015-0023. MIXED-LIGHT CULTIVATION TO OCCUR IN PROPOSED 1,800 S.F. MIXED-LIGHT GREENHOUSE.
- THE PROPERTY HAS A GENERAL PLAN DESIGNATION OF RA5-20 AND IS CURRENTLY ZONED AG B-5(5).
- THIS PLAT MAY BE BASED ON RECORD INFORMATION AND SITE VISIT AND SHALL NOT BE CONSIDERED A SURVEY. LOT BEARINGS AND DISTANCES SHOWN HEREON MAY HAVE BEEN COMPILED FROM RECORD DATA ONLY, SUCH AS ASSESSOR'S MAP, DEEDS, ETC., AND SHOULD BE CONSIDERED APPROXIMATE IN NATURE. IF REQUIRED FOR COMPLIANCE WITH STATE LAW, A FIELD SURVEY SHALL BE PERFORMED AT A LATER DATE, FOLLOWING APPROVAL OF THE PROJECT.
- THE PROPERTY IS CURRENTLY DEVELOPED WITH ONE (1) RESIDENCE, ONE (1) TWO-STORY GARAGE, ONE (1) METAL STORAGE CONTAINER, ONE (1) WORK-SHOP, ONE (1) GREENHOUSE, ONE (1) SHED, ONE (1) PUMP HOUSE WITH DOMESTIC WATER STORAGE.
- ONE (1) 20'x44' ADA ACCESSIBLE COMMERCIAL FACILITY IS PROPOSED FOR PROCESSING, MANUFACTURING, PROPAGATION AND DISTRIBUTION.
- THE SITE'S EXISTING AND PROPOSED IMPROVEMENTS, COMMERCIAL AGRICULTURAL OPERATIONS/ACTIVITIES, SETBACKS AND EASEMENTS/ENCUMBRANCES AFFECTING THE PROPERTY ARE AS SHOWN OR DENOTED HEREON.
- THE DEVELOPED PROPERTY IS FLAT. CONTOURS SHOWN HEREON ARE AT 40 FOOT INTERVALS AND ARE BASED ON USDS 1/3 ARC-SECOND DIGITAL ELEVATION MODELS.
- THE PROPERTY IS OUTSIDE OF STRAFTSIDE MANAGEMENT AREA (SMA) ZONE.
- THE PROJECT IS NOT LOCATED WITHIN AN AREA WHERE KNOWN CULTURAL RESOURCES HAVE BEEN LOCATED. HOWEVER, AS THERE EXISTS THE POSSIBILITY THAT UNDISCOVERED CULTURAL RESOURCES MAY BE ENCOUNTERED, MITIGATION MEASURES MAY BE REQUIRED UNDER FEDERAL AND STATE LAW.
- NO SCHOOLS, SCHOOL BUS STOPS, PLACES OF WORSHIP, PUBLIC PARKS OR TRIBAL CULTURAL RESOURCES ARE LOCATED WITHIN SIX HUNDRED FEET (600') OF THE CULTIVATION SITE.
- THREE (3) OFFSITE STRUCTURES ARE LOCATED WITHIN 300 FEET OF THE EXISTING CULTIVATION, PROCESSING AND STORAGE AREAS, AND APPLICANTS ARE REQUESTING WAIVERS FROM THEIR NEIGHBORS (APN 404-023-034 & 404-023-020) FOR THE 300 FOOT SETBACKS.
- NO TREES ARE TO BE REMOVED IN CONJUNCTION WITH THIS PROJECT.
- NO GRADING IS PROPOSED IN CONJUNCTION WITH THIS PROJECT.
- WATER FOR THE PARCEL IS FROM AN ON-SITE WELL THAT IS UNDERGOING THE PERMIT PROCESS, AS SHOWN HEREON. ALL EXISTING WATER STORAGE IS IN AN OFFSTREAM POND WITH A TOTAL OF 60,000 GAL OF WATER STORAGE AVAILABLE. 2,500 GAL FROM A PROPOSED WATER TANK WILL BE DEDICATED FOR SRA FIRE SUPPRESSION.
- THIS PROJECT IS IN THE STATE RESPONSIBILITY AREA (SRA), AND CURRENT SRA FIRE SAFE STANDARDS FOR ROADWAYS, DRIVEWAYS, TURNAROUNDS, ETC. SHALL BE ADHERED TO.
- THIS PLAN IS NOT INTENDED TO BE USED FOR CONSTRUCTION PURPOSES.

REVISED: 8/7/19
7/4/19
6/3/19

AA18-040
APPS #14219
APN 404-023-018

COMSTOCK & PRESTON 134 7th Street Eureka, California 95501 Telephone (707) 443-8801 Fax (707) 443-0422 CIVIL ENGINEERS		DESIGNED BY: K.D.P. DRAWN BY: C.W.B. CHECKED BY: KIMBERLY D. PRESTON DATE: 06/06/18 DATE: 06/06/18 DATE: 09/05/18	PLOT PLAN for HEADWATER ORGANICS, LLC in the unincorporated area of Humboldt County Section 23, T1N, R1E, M3&4	SCALE: AS SHOWN DATE: 08-2019 SHEET: 91 OF 91
--	--	--	--	---



Kimberly D. Preston 8-7-19
KIMBERLY D. PRESTON
P.L.S. 9153

OWNER
TOKOH HOLDING COMPANY LLC CO
3527 GREENWOOD HEIGHTS DRIVE
KNEELAND, CA 95549

APPLICANT
HEADWATER ORGANICS, LLC
c/o ELIZABETH YOKOH
3527 GREENWOOD HEIGHTS DRIVE
KNEELAND, CA 95549
(724)902-9317

APPURTENANT EASEMENTS

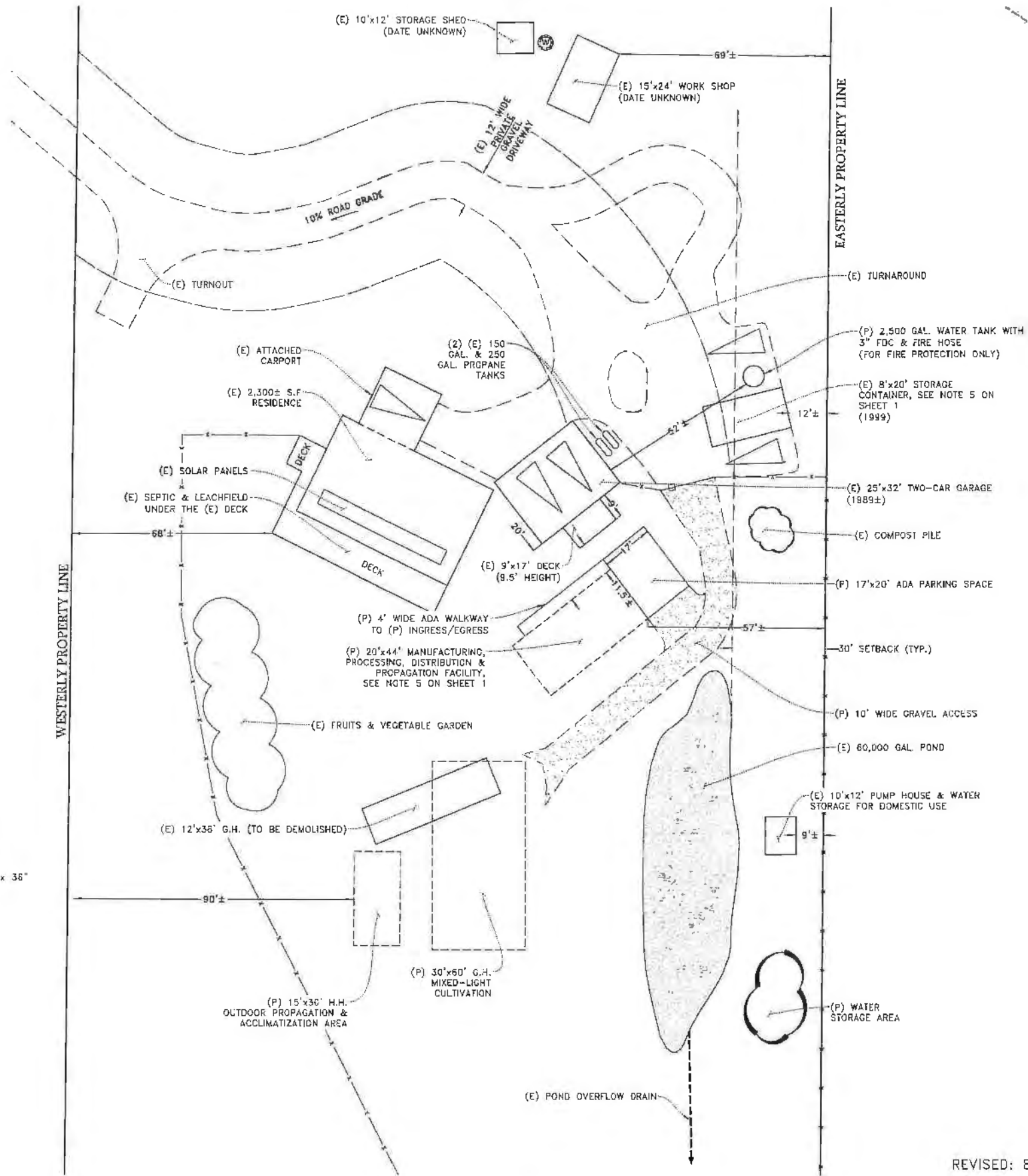
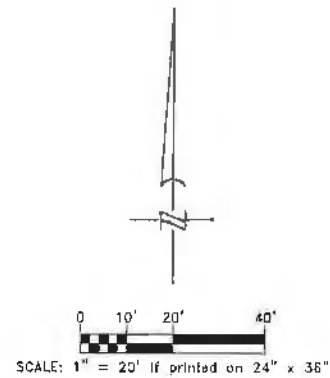
(PER PRELIMINARY REPORT BY HUMBOLDT LAND TITLE COMPANY, DATED MAY 19, 2017)

- AN EASEMENT FOR THE PURPOSE OF INGRESS, EGRESS AND PUBLIC UTILITIES AND FOR WATER DEVELOPMENT PURPOSES PER BOOK 1462 OF OFFICIAL RECORDS, PAGE 45, HUMBOLDT COUNTY RECORDS.
- AN EASEMENT FOR THE PURPOSES FOR PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION PER BOOK 1550 OF OFFICIAL RECORDS, PAGE 30, HUMBOLDT COUNTY RECORDS.
- MUTUAL GRANT OF RIGHT OF WAY, AND AGREEMENT FOR MAINTENANCE AND WATER RIGHTS, PER BOOK 1651 OF OFFICIAL RECORDS, PAGE 244, HUMBOLDT COUNTY RECORDS.
- MUTUAL GRANT OF RIGHT OF WAY, AND AGREEMENT FOR MAINTENANCE AND WATER RIGHT, PER BOOK 1877 OF OFFICIAL RECORDS, PAGE 419, HUMBOLDT COUNTY RECORDS.

PLN-2019-15753 Headwater Organics

September 19, 2019

Page 91



DETAIL 'A'
SCALE: 1" = 20'

REVISED: 8/7/19
7/4/19
6/3/19

AA18-040
APPS #14219
APN 404-023-018



OMSBURG & DRETON
434 7th Street
Eureka, California
95501
Telephone
(707) 443-0951
Fax: 445-0422
SURVEYORS PLANNERS ENGINEERS

DESIGNED BY:	DATE:
K.D.P.	06/06/18
DRAWN BY:	DATE:
C.W.B.	06/06/18
CHECKED BY:	DATE:
KIMBERLY D. PRESTON	09/06/18

PLOT PLAN
for
HEADWATER ORGANICS, LLC
In the unincorporated area of Humboldt County
Section 23, T.5N., R.1E., H.8&W.
Page 101 2

SCALE	AS SHOWN
JOB NO.	18-2033
SHEET	OF
101	2

ATTACHMENT 1
RECOMMENDED CONDITIONS OF APPROVAL

1. The Applicant shall complete all conditions of approval and comply with all terms of the initial approval of (PLN-2018-15092).

ATTACHMENT 2

FINDINGS FOR APPROVAL

Required Findings: To approve this project, the Hearing Officer must determine that the applicant has submitted evidence in support of making **all** of the following required findings.

The County Zoning Ordinance, Sections 312-1.1.2 and 312-17.1 of the Humboldt County Code (Required Findings for All Discretionary Permits) specify the findings that are required to grant a Special Permit:

1. The proposed development is in conformance with the Open Space Plan, and Open Space Action Program;
2. The proposed development is consistent with the purposes of the existing zone in which the site is located;
3. The proposed development conforms with all applicable standards and requirements of these regulations;
4. The proposed development and conditions under which it may be operated or maintained will not be detrimental to the public health, safety, or welfare; or materially injurious to property or improvements in the vicinity;
5. The proposed development does not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law (the midpoint of the density range specified in the plan designation) unless the following written findings are made supported by substantial evidence: 1) the reduction is consistent with the adopted general plan including the housing element; and 2) the remaining sites identified in the housing element are adequate to accommodate the County share of the regional housing need; and 3) the property contains insurmountable physical or environmental limitations and clustering of residential units on the developable portions of the site has been maximized; and
6. In addition, the California Environmental Quality Act (CEQA) states that one of the following findings must be made prior to approval of any development which is subject to the regulations of CEQA. The project either:
 - a. Is categorically or statutorily exempt; or
 - b. Has no substantial evidence that the project will have a significant effect on the environment and a negative declaration has been prepared; or
 - c. Has had an environmental impact report (EIR) prepared and all significant environmental effects have been eliminated or substantially lessened, or the required findings in Section 15091 of the CEQA Guidelines have been made.

Staff Analysis of the Evidence Supporting the Required Findings: To approve this project, the Hearing Officer must determine that the applicant has submitted evidence in support of making **all** of the following required findings.

1. **The proposed development must be consistent with the General Plan, Open Space Plan, and Open Space Action Program.** The following table identifies documents the substantial evidence which supports finding that the proposed development is in conformance with all applicable policies and standards of the Humboldt County General Plan, Open Space Plan, and Open Space Action Program.

Plan Section	Summary of Applicable Goal, Policy or Standard	Evidence Which Supports Making the General Plan Conformance Finding
Land Use Chapter 4 Land Use Designations Section 4.8	<p>Residential Agriculture (RA5-20): This designation applies to large lot residential uses that typically rely upon on-site water and wastewater systems. Varying densities are reflective of land capabilities and/or compatibility issues. RA5-20 and RA20 are rural residential designations for lands with slopes generally less than 30% and served by individual water and wastewater systems and good road access.</p> <p>Allowable uses include single family residential, second residential unit, guest house, planned developments, residential accessory uses, general agriculture and intensive agriculture.</p> <p>Density range is 5-20 acres/unit.</p>	Headwater Organics, LLC seeks a Modification for an approved Special Permit for a Microbusiness. The Modification is to change the location of the processing (including drying and trimming), manufacturing, and distribution activity to a proposed new 880 square-foot commercial building instead of an existing garage. General agriculture and intensive agriculture are allowable use types for this designation.

Plan Section	Summary of Applicable Goal, Policy or Standard	Evidence Which Supports Making the General Plan Conformance Finding
Circulation Chapter 7	<p>Goals and policies contained in this Chapter relate to a balanced, safe, efficient, accessible and convenient circulation system that is appropriate for each type of unincorporated community (C-G1,C-G2); coordinated planning design, development, operations, and maintenance between the County and other transportation system service providers (C-G3); and access for all transportation mode types with improved opportunities to move goods within, into and out of Humboldt County (C-G5).</p> <p>Related policies: C-P3, Consideration of Transportation Impacts in Land Use Decision Making.</p>	<p>Access to the subject parcel is from County Maintained Road Green Heights Drive. As such, Public Works recommended that the project be conditioned that the applicant apply for encroachment permit for the driveway into the parcel. The applicant also, submitted a Road Evaluation for the Unnamed Private Access Road, completed by Omsberg and Preston dated August 3, 2019. That Road Evaluation indicated that road is equivalent to a Category 4 Road.</p>
Housing Chapter 8	<p>Goals and policies contained in this Element seek to identify existing and projected housing needs and establish goals, policies, standards and measures for the preservation, improvement, and development of housing.</p> <p>Related policies: H-P3, Development of Parcels in the Residential Land Inventory.</p>	<p>The project site is not part of the Housing Element Residential Land Inventory. The project does not involve residential development; however, the project will not preclude any future residential development if allowed by the zoning and general plan designation. The project will not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law.</p>

Plan Section	Summary of Applicable Goal, Policy or Standard	Evidence Which Supports Making the General Plan Conformance Finding
<p>Conservation and Open Space Chapter 10</p> <p>Open Space Section 10.2</p>	<p>Goals and policies contained in this Chapter relate to an Open Space and Conservation Program that is complimentary to other agencies' plans and that preserves the county's unique open spaces. (CO-G1, CO-G3).</p> <p>Related policies: CO-P1, Conservation and Open Space Program; CO-P12, Development Review; CO-S1, Identification of Local Open Space Plan; and CO-S2, Identification of the Open Space Action Program.</p>	<p>The subject parcel where cultivation is proposed is located in an Open Space Action Program because it is zoned Agriculture General (AG). General agriculture is a use type permitted in the AG zone. The proposed cannabis cultivation, an agricultural product, is within land planned and zoned for agricultural purposes, consistent with the use of Open Space land for managed production of resources. The project can be found consistent with the Open Space Plan and Open Space Action Program because the proposed project is consistent with the allowable uses of the Land Use Designations.</p>
<p>Conservation and Open Space Chapter 10</p> <p>Biological Resources Section 10.3</p>	<p>Goals and policies contained in this Chapter relate to mapped sensitive habitat areas where policies are applied to protect fish and wildlife and facilitate the recovery of endangered species (BR-G1, Threatened and Endangered Species, BR-G2, Sensitive and Critical Habitat, BR-G3, Benefits of Biological Resources).</p> <p>Related policies: BR-P1, Compatible Land Uses; BR-P5, Streamside Management Areas.</p>	<p>According to the Biological Report prepared by NRM for the project on August 22, 2019, there are six special status species with the potential to occur in the project area: Marble Murrelet (<i>Brachyramphus</i>), bald eagle (<i>Haliaeetus leucocephalus</i>), foothill yellow-legged frog (<i>Rana boylei</i>), Bank Yellow (<i>Riparia riparia</i>), fisher (<i>Pekania Pennant</i>). The Biological Report determined that the project and operations on the parcel are to likely have no effect on these species. The report also states that there are four Northern Spotted Owl (NSO) activity centers in the general vicinity but are outside the 1.3 disturbance buffer required.</p>
<p>Conservation and Open Space Chapter 10</p> <p>Cultural Resources Section 10.6</p>	<p>Goals and policies contained in this Chapter relate to the protection and enhancement of significant cultural resources, providing heritage, historic, scientific, educational, social and economic values to benefit present and future generations (CU-G1, Protection and Enhancement of Significant Cultural Resources).</p> <p>Related policies: CU-P1, Identification and Protection; CU-P2, Native American Tribal Consultation.</p>	<p>No known significant archaeological or historic period cultural resources are located on the project site. Ongoing conditions of approval are incorporated regarding the inadvertent discovery protocol to protect cultural resources. However, since there will be ground disturbance, the Wiyot Tribal Historic Preservation Officer in their referral comments requested that a Wiyot biologist monitor two plant species recorded in the Biological Report prepared by NRM for the project on August 22, 2019. The Modification to the approved Special Permit will not affect the monitoring or impact the concerned plant species.</p>

Plan Section	Summary of Applicable Goal, Policy or Standard	Evidence Which Supports Making the General Plan Conformance Finding
<p>Conservation and Open Space Chapter 10</p> <p>Scenic Resources Section 10.7</p>	<p>Goals and policies contained in this Chapter relate to the protection of scenic areas that contribute to the enjoyment of Humboldt County's beauty and abundant natural resources (SR-G1); and a system of scenic highways roadways that increase the enjoyment of, and opportunities for, recreational and cultural pursuits and tourism in the County (SR-G2).</p> <p>Related standards: SR-S4, Light and Glare.</p>	<p>The project proposes mixed light cultivation and lighting associated with the processing facility. The Commercial Medical Marijuana Land Use Ordinance requires that mixed light cultivation comply with International Dark Sky Association standards for Lighting Zone 0 and Lighting Zone 1 and be designed to regulate light spillage onto neighboring properties resulting from backlight, uplight, or glare (BUG). International Dark Sky Association Standards exceed the requirements of Scenic Resources Standard SR-S4, Light and Glare, that lighting be fully shielded, and designed and installed to minimize off-site lighting and direct light within the property boundaries.</p>
<p>Water Resources Chapter 11</p> <p>Stormwater Drainage</p>	<p>Goals and policies contained in this Chapter relate to coordinated watershed planning and land use decision making to advance management priorities (WR-G3, WR-G4, WR-G5); watershed conservation and restoration efforts aimed at de-listing water bodies and watersheds which are restored to meet all beneficial uses, including water use, salmon and steelhead recovery plans, recreational activities, and the economy (WR-G1, WR-G2, WR-G7, WR-G8, WR-G9).</p> <p>Related policies: WR-P10, Erosion and Sediment Discharge; WR-42, Erosion and Sediment Control Measures.</p>	<p>According to the applicant's Cultivation and Operations Plan, the applicant will plant native grasses in exposed or loose soil to minimize erosion around the perimeter. Additionally, the applicant will use biodegradable straw waddles during the rainy seasons. The proposed cultivation will occur on raised beds and irrigated by a drip system to minimize erosion.</p> <p>The applicant will enroll and report under the Cannabis General Order through the State Water Resources Control Board (SWRCB) in order to meet requirements that address waste discharges associated with cultivation activities.</p>

Plan Section	Summary of Applicable Goal, Policy or Standard	Evidence Which Supports Making the General Plan Conformance Finding
<p>Water Resources Chapter 11</p> <p>Onsite Wastewater Systems</p>	<p>Goals and policies contained in this Chapter relate to adequate public water supply as well as onsite wastewater systems and natural and developed storm drainage systems that minimize interference with surface and groundwater flows and storm water pollution (WR-G6, WR-G9, WR-G11).</p> <p>Related policies: WR-IM7, Basin Plan Septic Requirements; and IS-P17, On-Site Sewage Disposal Requirements.</p>	<p>The applicant's plot plan illustrates a septic system and leach field for the subject parcel underneath the deck of the residence. The Operation Plan indicates that there will no added load. The applicant submitted an Onsite Waste Treatment System Inspection with corrections to be made. A Condition of Approval is included that requires the applicant to secure a permit for the OWTS, with the Department of Environmental Health and provide a copy to the Planning Department.</p>
<p>Noise Chapter 13</p>	<p>Goals and policies contained in this Chapter discourage incompatible uses within communities and reduce excessive noise through the application of standards (N-G1, N-G2).</p> <p>Related policies: N-P1, Minimize Noise from Stationary and Mobile Sources; N-P4, Protection from Excessive Noise.</p>	<p>The subject parcel is not located in an area that requires special noise attenuation measures. No generator use is proposed for the project. Power to the site is provided by a solar system.</p>
<p>Safety Element Chapter 14</p> <p>Geologic & Seismic</p>	<p>Goals and policies contained in this Chapter relate to communities that are designed and built to minimize the potential for loss of life and property resulting from natural and manmade hazards; and to prevent unnecessary exposure to areas of geologic instability, floodplains, tsunami run-up areas, high risk wildland fire areas, and airport areas planned and conditioned to prevent unnecessary exposure of people and property to risks of damage or injury (S-G1, S-G2).</p> <p>Related policies: S-P7, Structural Hazards; and S-P11, Site Suitability.</p>	<p>The project site is not located in a mapped Alquist-Priolo fault zone nor is it subject to liquefaction. The project does not include any proposed structures for human occupation. The project area is seismically classified as low to moderate instability; however, the project does not pose a threat to public safety from exposure to natural or manmade hazards.</p>

Plan Section	Summary of Applicable Goal, Policy or Standard	Evidence Which Supports Making the General Plan Conformance Finding
<p>Safety Element Chapter 14</p> <p>Flooding</p>	<p>Goals and policies contained in this Chapter relate to the use of natural drainage channels and watersheds that are managed to minimize peak flows in order to reduce the severity and frequency of flooding (S-G3).</p> <p>Related policies include: S-P12, Federal Flood Insurance Program; S-P13, Flood Plains; and S-P15, Construction Within Special Flood Hazard Areas.</p>	<p>The project site is outside any mapped flood hazard areas. The project site is not within a mapped dam inundation area; at over 4 miles distance from the coast the project site is outside the areas subject to tsunami run-up.</p>
<p>Safety Element Chapter 14</p> <p>Fire Hazards</p>	<p>Goals and policies of this Chapter encourage development designed to reduce the risk of structural and wildland fires supported by fire protection services that minimize the potential for loss of life, property, and natural resources (S-G4).</p> <p>Related policies: S-P19, Conformance with State Responsibility Areas (SRA) Fire Safe Regulations.</p>	<p>The subject parcel is located within an area with a high fire rating. The project site is located within the Kneeland Fire Protection District and the State Fire Responsibility Area where the State of California has the primary financial responsibility for the prevention and suppression of wildland fires. CALFIRE comments recommended compliance with the requirements of the County's Fire Safe, Resource Management, and Cannabis Regulations. The Humboldt County Fire Safe Ordinance (Section 3111-1 <i>et seq.</i>) establishes development standards for minimizing wildfire danger in state responsibility designated areas. The existing 60,000-gallon rainwater catchments pond will be reserve for emergencies and for fire protection. The applicant Conditions of Approval for the project require the applicant to demonstrate the driveway and emergency vehicle turn around conform with the Humboldt County Code Section 3112-12, the Fire Safe Regulations.</p>
<p>Community Infrastructure and Services Element, Chapter 5</p> <p>Implementation Action Plan</p>	<p>IS-S5 requires new industrial, commercial and residential development located outside of fire district boundaries to obtain written acknowledgment of available emergency response and fire suppression services from the local fire agency, including any recommended mitigation.</p>	<p>The project is located in the Kneeland Fire Protection District.</p>

Plan Section	Summary of Applicable Goal, Policy or Standard	Evidence Which Supports Making the General Plan Conformance Finding
Air Quality Chapter 15	<p>Goals and policies contained in this Chapter relate to improved air quality to meet current and future state and federal standards, including attainment of particulate matter requirements (AQ-G1, AQ-G2, AQ-G3) and the successful reduction of greenhouse gas emissions to levels consistent with state and federal requirements (AQ-G4).</p> <p>Related policies: AQ-P4, Construction and Grading Dust Control; and AQ-P7, Interagency Coordination.</p>	Applications for grading and/or building permits shall be referred to the North Coast Air Quality Management District (NCAQMD) for review and consultation. Dust control practices during any construction and grading shall achieve compliance with NCAQMD fugitive dust emission standards.

2. Zoning Compliance and 3. Conforms with applicable standards and requirements of these regulations:

The following table identifies the evidence which supports finding that the proposed development is in conformance with all applicable policies and standards in the Humboldt County Zoning Regulations.

Zoning Section	Summary of Applicable Requirement	Evidence That Supports the Zoning Finding
§312-1.1.2 Legal Lot Requirement	Development permits shall be issued only for a lot that was created in compliance with all applicable state and local subdivision regulations.	The parcel known as APN 404-023-018 is been determined to be one legal parcel as shown on Parcel Map 1210 (lot 4) recorded in Book 10 of Parcel Maps page 123. Therefore, the subject parcel is considered to be a legal parcel under the applicable state and local subdivision regulations and can be developed as proposed.
§314-7.2 Agriculture General Special Building Site (B-5)	<p><u>Agriculture General (AG-B-5(5))</u>: Intended to be applied in areas in which agriculture is the desirable predominant use and rural residential uses are secondary.</p> <p>(B-5) As specified on the zoning maps designating any such zone, except that in no case shall these requirements be less than those required under the B-4 requirements.</p>	Headwater Organics, LLC seeks a Special Permit for a microbusiness consisting of 1,800 sf of new mixed light cannabis cultivation, non-volatile manufacturing, and distribution. The microbusiness use is specifically allowed with a Special Permit in these zoning districts under Section 314-55.4.10.3 of the CCLUO.
Minimum Lot Area:	2 ½ acres	5.01 acres (assessed)

Maximum Ground Coverage:	35%	1.5 %.
Minimum Lot Width:	60 feet	246 feet
Maximum Lot Depth:	none specified	890 feet
Minimum Yard Setbacks:	Front: 20 feet Rear: 20 feet Side: 6 feet SRA: lot 1 acre or larger: 30 feet	Front (west): >30 feet Rear (east): >30 feet Side (north and south): >30 feet SRA >30 feet
Max. Building Height:	35 feet	< 35 feet
§314-61.1 Streamside Management Area (SMA)	Purpose: To provide minimum standards pertaining to the use and development of land located within Streamside Management Areas (SMAs) and other wet areas to implement the County's Open Space Element of the General Plan.	The proposed 1,800 sf mixed light cultivation is proposed to be located 25 feet from the existing pond. However, the pond is a manmade pond and is not subject to the other wet areas of the Open Space Element of the General Plan.
§314-109.1.3.4 Off-Street Parking Industrial Uses <u>Manufacturing.</u> The higher of one parking space for each 1,500 square feet of gross floor space within all enclosed building areas or one (1) parking space for each employee at the peak shift. A minimum of two (2) parking spaces are required. <u>Warehouse.</u> The higher of one (1) parking space for every four (4) employees or one (1) parking space for each 2,500 square feet of gross floor area. <u>Loading Spaces Required.</u> One (1) loading space for each 20,000 square feet of gross floor area, or portion thereof.		The Modification to the approved Special Permit to build a new commercial building to house cannabis non-flammable manufacturing, distribution, and processing facility. The applicant claims that only the two operators will be managing the project. The site plan does illustrate two parking spaces available for the operators.

314-55.4 Commercial Cultivation, Processing, Manufacturing, Distribution, Testing and Sale of Cannabis Land Use Regulation for the Inland Area of the County of Humboldt – Commercial Cannabis Land Use Ordinance (CCLUO)

Zoning Section	Summary of Applicable Requirement	Evidence That Supports the Zoning Finding
<p>§314-55.4.5.1.4 a)</p> <p>City Spheres of Influence, Community Planning Areas, Tribal Lands</p>	<p>A Conditional Use Permit shall be required for any Commercial Cannabis Activity where located within the Sphere of Influence (SOI) of any incorporated city or within any of the following mapped Community Planning Areas (CPA's) Blue Lake, Fieldbrook-Glendale, Fortuna, Hydesville-Carlotta, McKinleyville, Rio Dell-Scotia, Shelter Cove, Trinidad-Westhaven, and Willow Creek. A Conditional Use Permit shall also be required for any Commercial Cannabis Activity where located within one thousand feet (1,000') of any incorporated city, Tribal Lands, or any of the Community Planning Areas (CPA's) identified herein.</p>	<p>The subject property is located in the Freshwater Community Planning Area. Freshwater Community Planning Area is not listed as a Special Area where Conditional Use Permits are required.</p>
<p>§314-55.4.5.4</p> <p>Permit Limits and Permit Counting</p>	<p>No more than eight acres of Commercial Cannabis permits may be issued to a single Person. No more than ten (10) Persons shall be granted permits authorizing three (3) or acres of cultivation pursuant to the provisions of 55.4.6.1.2(c).</p>	<p>According to records maintained by the Planning Department, the party who is the Headwater Organics, LLC applicant, submitted one cannabis application. This application is one Special Permit for a Microbusiness that includes non-volatile manufacturing, distribution, and 1,800 sf of mixed light cultivation.</p>
<p>§314-55.4.4.</p> <p>Microbusiness Definition</p>	<p>Definition: "A facility host to several Commercial Cannabis Activities under a single license including cultivation on an area less than 10,000 square feet, distribution, manufacturing without the use of volatile solvents, and retail sales."</p>	<p>The proposed project includes 1,800 sf of mixed light cultivation, non-volatile manufacturing, and distribution.</p>
<p>§314-55.10.3.</p> <p>Microbusiness</p>	<p>Microbusiness activities are a permitted use, subject to a Special Permit, in any of the zones in which authorized cannabis activities is a permitted use. Microbusinesses shall also comply with all performance standards applicable to any of the uses combined under a single Microbusiness license.</p>	<p>The AG zone allows cannabis activities; therefore, microbusinesses are allowed in this zone.</p>

§314-55.4.10.3. Microbusiness Locational Criteria	Adult Use Retail Sales, Farm Based Retail Sales with on-site customer traffic and Microbusinesses with on-site customer traffic shall be located on roads that are paved with a centerline stripe, or paved meeting the Category 4 standard. Exceptions may be sought with a Conditional Use Permit.	Access to the subject parcel is from County Maintained Road Green Heights Drive. As such, Public Works recommended that the project be conditioned that the applicant apply for encroachment permit for the driveway into the parcel. The applicant also submitted a Road Evaluation for the Unnamed Private Access Road, completed by Omsberg and Preston dated August 3, 2019. The Road meets the standards of equivalent to a Category 4 Road.
§314-55.4.6.0 Conversion of Timberland	Cultivation sites may only be located within a Non-Forested area that was in existence prior to January 1, 2016.	No tree removal that could constitute a timber conversion has occurred on the property. No trees are proposed to be removed as part of the project.
Eligibility Criteria §314-55.4.6.3.1: Energy Source.	Electricity must be exclusively provided by a Renewable Energy Source, meeting the Performance Standard for Energy Use.	A solar system will provide power for all the proposed facilities operations.
§314-55.4.6.3.2: Water Source.	Irrigation shall exclusively utilize stored water from non-diversionary sources or water from a public or private water supplier.	Water for irrigation is provided by a non-hydrologically connected well, based on the submitted evidence by the applicant.
§314-55.4.6.3.3: Access Roads. Road Systems.	Road Systems must meet functional capacity of a Road Category 4.	The project site is accessed directly off a County Maintained Road which meets the Road Category 4 standards. As a Condition of approval, the applicant will apply for encroachment permit with the Department of Public Works.
§314-55.4.6.4.4 Standard Setbacks	The area of cannabis cultivation and on-site processing shall be setback at least 30 feet from any property line, 300 feet from any residence on an adjacent parcel or 270 feet from any undeveloped adjacent parcel, 600 feet from any school, school bus stop, church or other place of religious worship, public park, or tribal cultural resources (TCRs) and 1,000 feet from all Tribal Ceremonial Sites.	There are no schools within 600 feet, school bus stop, church or other place of religious worship, public park, or tribal cultural resources (TCRs) and 1,000 feet from all Tribal Ceremonial Sites. the applicant has received consent from the two residence that are within the 300 feet setback requirement.

§314-55.4.6.4.4 Special Setbacks for Odor Mitigation	Open Air Cultivation Sites located within special areas including Community Planning Areas are subject to the following enhanced setbacks unless confined within enclosed structures: 600 feet from the boundary of any residentially zoned area or residence located on a separately owned parcel.	The proposed cultivation is not located within a Special Community Planning Area.
§314-55.4.11 Application Requirements	Identifies the Information Required for All Applications	Attachment 4 identifies the information submitted with the application and shows all the required information was received.
§314-55.4.12 Performance Standards	Identifies the Performance Standards for Cannabis Cultivation Activities.	All the applicable performance standards are included as conditions of project approval. They are required to be met throughout the timeframe of the permit.
§314-55.4.12.1.8 Performance Standards– Road System	Roads providing access to any parcel(s) or premises on which commercial cannabis activities occur must comply with standards regarding dead-end road length, functional capacity and private road systems.	The project site is accessed directly off a County Maintained Road which meets the Road Category 4 standards. As a Condition of approval, the applicant will apply for encroachment permit with the Department of Public Works.
§314-55.4.12.1.9 Burning of Plant Material	The Burning of Plant Material associated with Cultivation and Processing of Commercial Cannabis is Prohibited	As an Ongoing Condition of approval, the burning of Plant Material associated with Cultivation and Processing of Commercial Cannabis is Prohibited.
§314-55.4.12.1.10 Performance Standards– Biological Resource Protection	Projects proposing new development activities shall provide the necessary information to implement Mitigation Measures 3.4-1a – 3.4-1i, 3.4-3a, 3.4-4, 3.4-5 and 3.4-6 from the Final Environmental Impact Report.	There are no mapped Special Status Species on the subject parcel. According to the Biological Report prepared by NRM for the project on August 22, 2019, there are six special status species with the potential to occur in the project area: Marble Murrelet (<i>Brachyramphus</i>), bald eagle (<i>Haliaeetus leucocephalus</i>), foothill yellow-legged frog (<i>Rana boylei</i>), Bank Yellow (<i>Riparia riparia</i>), fisher (<i>Pekania pennanti</i>). The Biological Report determined that the projects and operations on the parcels are to likely have no effect on these species. The report also states that there are four Northern Spotted Owl (NSO) activity centers in the general vicinity but are outside the 1.3 disturbance buffer required.

§314-55.4.12.1.12 Hazardous Material Site Assessments and Contingency Plan	Where commercial cannabis activities are located or proposed on a property previously developed with an industrial or heavy commercial use, applications must be accompanied by a Phase I Environmental Site Assessment (ESA) for the presence of potential hazardous materials. (It goes on)	The proposed cultivation is not located in an area that was previously developed as an industrial or heavy commercial use.
§314-55.4.12.1.12 Stormwater Management	Applications for cannabis activities shall include a plan detailing how stormwater will be addressed for the property, including the location, capacity, and operation of all existing and proposed drainage facilities and features.	The operation plan outlines a plan on how storm water will be addressed. The applicant proposes to plant native grasses in areas that are exposed to minimize erosion. The applicant will also use natural biodegradable wattles to reduce erosion during heavy precipitation.
§314-55.4.12.1.13 Management of Waste and Hazardous Materials	Applicants shall include a plan for disposal of project-related waste, including solid waste, effluent, and byproducts from commercial activities.	The applicant intends to compost plant material at a secure plant waste area. The applicant also has a Septic System, as a Condition of Approval the applicant will submit a copy of OWTS provided the Department of Environmental Health.
§314-55.4.12.1.14 Protection of Historical Resources	Applications proposing projects which include the removal or exterior alteration of structures over 45-years in age shall provide a report prepared by a historical consultant meeting the Secretary of the Interior's Professional Qualification Standards.	Building inspection notes and comments provided by Blue lake and Wiyot Tribal Historical Preservation Officers did not indicate any removal or alterations of structures over 45 years in age.
§314-55.4.12.2 Performance Standards– Commercial Cannabis Cultivation	Identifies the Performance Standards for Cannabis Cultivation Activities.	The project as proposed and conditioned meets all of the requirements stipulated in the cited section. In Attachment 1, these performance standards have been incorporated into the On-going Conditions of Approval that must be satisfied for the life of the project.

§314-55.4.12.4 Performance Standards– Light Pollution Control	<p>a) Structures used for Mixed Light Cultivation and Nurseries shall be shielded so that no light escapes between sunset and sunrise.</p> <p>b) Where located on a Parcel abutting a residential Zoning District or proposed within Resource Production or Rural Residential areas, any Security Lighting for Commercial Cannabis Activities shall be shielded and angled in such a way as to prevent light from spilling outside of the boundaries of the Parcel(s) or Premises or directly focusing on any surrounding uses.</p>	Parcels surrounding the subject parcel are zoned TPZ which are considered Resource Production areas. Conditions of Approval require that the applicant submit evidence that their lighting plan described in the Operation Plan is effective. An ongoing Condition of Approval no light will escape between 30 minutes after sunset and 30 minutes before sunrise and any Security Lighting for Commercial Cannabis Activities shall be shielded and angled in such a way as to prevent light from spilling outside of the boundaries of the Parcel(s) or Premises or directly focusing on any surrounding uses.
§314-55.4.12.5 Performance Standards– Energy Use	<p>All electricity utilized by Commercial Cannabis Cultivation, Manufacturing or Processing activities shall conform to one or more of the following standards:</p> <ul style="list-style-type: none"> • Grid power supplied from 100% renewable source; and • On-site renewable energy system with twenty percent net non-renewable energy use • Grid power supplied by partial or wholly non-renewable source with purchase of carbon offset credits. 	Electricity for the cultivation will be provided by a solar system.
§314-55.4.12.6 Performance Standards– Noise	Noise from cultivation and related activities shall not result in an increase of more than three decibels of continuous noise above existing ambient noise levels at any property line of the site. Existing ambient noise levels shall be determined by take twenty-four measurements on three or more property lines when all cannabis related activities are not in operation.	The project does include a back-up generator or back-up generators. The applicant has produced a Noise Pollution Assessment and noise levels will not reach above 3 decibels from all property lines.

§314-55.4.12.7 Performance Standards – Cannabis Irrigation	A Special Permit shall be required where Irrigation of Commercial Cannabis Cultivation Activities occurs wholly or in part using one or more Diversionary sources of water. All Cannabis Irrigation, regardless of cultivation area, shall be subject to documentation of water use, forbearance periods and storage requirements, metering and recordkeeping.	The applicant's water source is a well. The applicant has provided evidence from the California Department of Fish and Wildlife that the well is not hydrologically connected.
314-55.4.12.10 Performance Standards – Soils Management	A soils management plan shall be provided detailing the use of imported and native soil on the Parcel(s) or Premises. The plan shall provide accounting for the annual and seasonal volume of soil that is imported and exported and documentation of the approved location of any Parcel(s) used for off-site disposal of spent soil if this occurs or is proposed.	The applicant submitted a soil management plan detailing the use of imported and native soil. The applicant will initially begin with a delivery of bulk soil and then amending the soil there after. The soil will be contained in raised beds in the greenhouse.
314-55.4.12.16 Performance Standards – Invasive Species Control	It is the responsibility of a certificate or permit holder to work to eradicate invasive species.	The applicant has submitted a plan for invasive species. The Biological Report has identified the invasive species and the operators will work to replace them with native flora species, using the CalFlora database and California Native Plant Society Manual of California Vegetation. As an Ongoing Condition of Approval, the applicant shall submit evidence that the proposed invasive species plan is effective.

4. Public Health, Safety and Welfare: The following table documents the evidence which supports finding that the proposed development will not be detrimental to the public health, safety and welfare or materially injurious to properties or improvements in the vicinity and will not adversely impact the environment.

Code Section	Summary of Applicable Requirements	Evidence that Supports the Required Finding
§312-17.1.4	The proposed development will not be detrimental to the public health, safety and welfare, and will not be materially injurious to properties or improvements in the vicinity.	The Department finds that the proposed project will not be detrimental to the public health, safety and welfare since all reviewing referral agencies have approved the proposed project design. The project as proposed and conditioned is consistent with the general plan and zoning ordinance and the project is not expected to cause significant environmental damage.

5. Residential Density Target: The following table identifies the evidence which supports finding that the proposed project will not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law.

Code Section	Summary of Applicable Requirement	Evidence that Supports the Required Finding
17.1.5 Housing Element Densities	The proposed development shall not reduce the residential density for any parcel below that is utilized by the Department of Housing and Community Development in determining compliance with housing element law (the midpoint of the density range specified in the plan designation), except where: 1) the reduction is consistent with the adopted general plan including the housing element; and 2) the remaining sites identified in the housing element are adequate to accommodate the County share of the regional housing need; and 3) the property contains insurmountable physical or environmental limitations and clustering of residential units on the developable portions of the site has been maximized.	The property was not included in the 2014 Housing Inventory. The site contains a single-family residence which will remain. Proposed development will not preclude residential units in the future if consistent with the general plan and zoning designations; therefore, the project is in conformance with the Housing Element.

6. Environmental Impact: The following identifies the evidence which supports finding that the proposed development will not adversely impact the environment.

As lead agency, the Department prepared an Addendum to the previously adopted Environmental Impact Report (EIR) (State Clearinghouse # 2017042022) prepared for the Commercial Cannabis Land Use Ordinance (CCLUO) and adopted by the County Board of Supervisors May 8, 2018. The EIR prepared for the CCLUO established that the environmental effects of existing cultivation operations would be reduced

from the baseline impacts through the regulations applied by the CCLUO. The EIR prepared for the CCLUO also established local land use regulations to allow for continued commercial cannabis operations in the unincorporated area of the County that ensure the health and safety of residents, employees, County visitors, neighboring property owners and end users of cannabis. The proposed project is consistent with all regulations within the CCLUO and all mitigation measures of the EIR.

ATTACHMENT 3
CEQA ADDENDUM TO THE
FINAL ENVIRONMENTAL IMPACT REPORT FOR THE COMMERCIAL CANNABIS LAND USE ORDINANCE

*Commercial Cannabis Land Use Ordinance Final Environmental Impact Report (EIR)
(State Clearinghouse # 2017042022), January 2018*

APN 404-023-018, 3527 Greenwood Heights, Kneeland Area, County of Humboldt.

Prepared By
Humboldt County Planning and Building Department
3015 H Street, Eureka, CA 95501

August 2019

Background

Modified Project Description and Project History –

The Commercial Cannabis Land Use Ordinance (CCLUO) updated the County's existing Commercial Medical Marijuana Land Use Ordinance (Section 313-55.4 and 314-55.4 of Chapter 3 of Division 1 of Title III of the County Code) as well as repeal of the Medical Cannabis Testing and Research Laboratories provisions and on-site consumption prohibition found in Sections 313-55.3.15, 314-55.3.15, 313-55.3.11.7, and 314-55.3.11.7 of Division 1 of Title III of the County Code, respectively. These regulations establish land use regulations for the commercial cultivation, processing, manufacturing, distribution, testing, and sale of cannabis within Humboldt County. These regulations were developed in concert with the Final Environmental Impact Report (EIR) that was adopted for the ordinance in order to implement the mitigation measures of the EIR. The EIR addressed the broad environmental impacts that could be expected to occur from the adoption and implementation of the ordinance. The EIR specified that the regulations established in the CCLUO would mitigate the impacts of existing cannabis operations by establishing regulations for an existing unregulated land use to help prevent and reduce environmental impacts that are known to result from unpermitted baseline cultivation operations. The EIR prepared for the CCLUO also established local land use regulations to allow for continued commercial cannabis operations in the unincorporated area of the County that ensure the health and safety of residents, employees, County visitors, neighboring property owners and end users of cannabis. The proposed project is consistent with all regulations within the CCLUO and all mitigation measures of the EIR. Commercial cannabis cultivation in existence as of December 31, 2015, was included in the environmental baseline for the EIR. The current project was contemplated by the EIR and compliance with the provisions of the CCLUO will fully mitigate all environmental impacts of the project to a less than significant level.

Headwater Organics, LLC requests a Modification for an approved Special Permit for a microbusiness. The Modification is to change the location of the processing, manufacturing, and distribution activity to a proposed new 880 square-foot commercial building instead of an existing garage. The distribution activity would only involve transportation to or from other licensees. Water for irrigation would be sourced from an existing on-site well. The projected water usage is 7,869 gallon per year (4.3 per square foot). An existing 60,000-gallon rainwater catchment pond will be used for fire suppression. The applicant states that all activities are owner operated, with no employees required. Electricity would be sourced from solar power. A generator will be in place in case of an emergency.

In reviewing the application for consistency with the adopted EIR the County considered the following information and studies, among other documents:

- A Biological Report was prepared, and it was determined that the project and operations proposed on the parcel are to likely have no effect on these species. The report also states that there are four Northern Spotted Owl (NSO) activity centers in the general vicinity but are outside the 1.3 disturbance buffer required.
- No known significant archaeological or historic period cultural resources are located on the project site. Ongoing conditions of approval are incorporated regarding the inadvertent discovery protocol to protect cultural resources.
- The applicant has submitted evidence that the well is not jurisdictional to the California Department of Fish and Wildlife. The applicant will use a drip irrigation system to minimize over watering and erosion.

Purpose - Section 15164 of the California Environmental Quality Act (CEQA) provides that the lead agency shall prepare an addendum to a previously certified Final Environmental Impact Report (EIR) if some changes or additions are necessary but none of the conditions described in Section 15162 calling for a subsequent EIR or Negative Declaration have occurred. Section 15162 states that when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

1. Substantial changes are proposed in the project which require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the Final EIR was certified as complete, shows any of the following: A) the project will have one or more significant effects not discussed in the previous Final EIR; B) significant effects previously examined will be substantially more severe than shown in the Final EIR; C) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or D) mitigation measures or alternatives which are considerably different from those analyzed in the Final EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Summary of Significant Project Effects and Mitigation Recommended

No changes are proposed for the Final EIR recommended mitigations. The proposal to authorize the modification of 1,800 square feet (sf) of new mixed light cannabis cultivation, non-volatile manufacturing, and distribution and to construct a new 880 square-foot processing facility and minor improvements necessary to bring the operation into compliance with the CCLUO is fully consistent with the impacts identified and adequately mitigated in the Final EIR. The project as conditioned to implement responsible agency recommendations, results in no significantly adverse environmental effects beyond those identified in the Final EIR.

Other CEQA Considerations

Staff suggests no changes for the revised project.

EXPLANATION OF DECISION NOT TO PREPARE A SUPPLEMENTAL MITIGATED NEGATIVE DECLARATION OR ENVIRONMENTAL IMPACT REPORT

See Purpose statement above.

In every impact category analyzed in this review, the projected consequences of the current project proposal are either the same or less than significantly increased than the initial project for which the EIR was adopted. Based upon this review, the following findings are supported:

FINDINGS

1. The proposed project will permit a new cannabis operation and bring the operation into compliance with county and state requirements intended to adequately mitigate environmental impacts.
2. The circumstances under which the project was approved have not changed substantially. There are no new significant environmental effects and no substantial increases in the severity of previously identified effects.
3. For the current proposed project, there has been no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was adopted as complete.

CONCLUSION

Based on these findings it is concluded that an Addendum to the previous Final EIR is appropriate to address the requirements under CEQA for the current project proposal. All of the findings, mitigation requirements, and mitigation and monitoring program of the EIR, remain in full force and effect on the original project.

ATTACHMENT 4
Applicant's Evidence In Support of the Required Findings

Attachment 3 includes a listing of all written evidence which has been submitted by the applicant in support of making the required findings. The following materials are on file (PLN-2018-15092-SP) with the Planning Division:

1. The name contact address and phone number(s) of the applicant. (Application form on file)
2. If the applicant is not the record title owner of parcel, written consent of the owner for the application with original signature and notary acknowledgement. (On file)
3. Site plan showing the entire parcel, including easements, streams, springs, ponds and other surface water features, and the location and area for cultivation on the parcel with dimensions of the area for cultivation and setbacks from property lines. The site plan shall also include all areas of ground disturbance or surface water disturbance associated with cultivation activities, including: access roads, water diversions, culverts, ponds, dams, graded flats, and other related features. If the area for cultivation is within ¼ mile (1,320 ft.) of a school, school bus stop, church or other place of religious worship, public park, or Tribal Cultural Resource, the site plan shall include dimensions showing that the distance from the location of such features to the nearest point of the cultivation area is at least 600 feet. (Attached with maps)
4. A cultivation and operations plan that meets or exceeds minimum legal standards for water storage, conservation and use; drainage, runoff and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of cultivation activities (outdoor, indoor, mixed light), the approximate date(s) cannabis cultivation activities have been conducted on the parcel prior to the effective date of this ordinance, if applicable, and schedule of activities during each month of the growing and harvesting season. (Attached)
5. Copy of the statement of water diversion, or other permit, license or registration filed with the State Water Resources Control Board, Division of Water Rights, if applicable. (Not applicable)
6. Description of water source, storage, irrigation plan, and projected water usage. (On file)
7. Copy of Notice of Intent and Monitoring Self-Certification and other documents filed with the North Coast Regional Water Quality Control Board demonstrating enrollment in Tier 1, 2 or 3, North Coast Regional Water Quality Control Board Order No. 2015-0023, or any substantially equivalent rule that may be subsequently adopted by the County of Humboldt or other responsible agency. (Not Applicable)
8. If any on-site or off-site component of the cultivation facility, including access roads, water supply, grading or terracing impacts the bed or bank of any stream or other watercourse, a copy of the Streambed Alteration Permit obtained from the Department of Fish & Wildlife. (Not applicable)
9. If the source of water is a well, a copy of the County well permit, if available. (On file)
10. If the parcel is zoned FR, U or TPZ, or involves the conversion of timberland as defined under section 4526 of the Public Resources Code, a copy of a less-than-3-acre conversion exemption or timberland conversion permit, approved by the California Department of Forestry and Fire Protection (CALFIRE). Alternately, for existing operations occupying sites created through prior unauthorized conversion of timberland, evidence may be provided showing that the landowner has completed a civil or criminal process and/or entered into a negotiated settlement with CALFIRE. (Not applicable)

11. Consent for onsite inspection of the parcel by County officials at prearranged date and time in consultation with the applicant prior to issuance of any clearance or permit, and once annually thereafter. (On file)
12. For indoor cultivation facilities, identify the source of electrical power and how it will meet with the energy requirements in section 55.4.8.2.3, and plan for compliance with applicable Building Codes. (Not applicable)
13. Acknowledge that the County reserves the right to reduce the size of the area allowed for cultivation under any clearance or permit issued in accordance with this Section in the event that environmental conditions, such as a sustained drought or low flows in the watershed will not support diversions for irrigation. (On file)
14. Acknowledge that the county reserves the right to engage with local Tribes before consenting to the issuance of any clearance or permit, if cultivation operations occur within an Area of Traditional Tribal Cultural Affiliation, as defined herein. This process will follow current departmental referral protocol, including engagement with the Tribe(s) through coordination with their Tribal Historic Preservation Officer (THPO) or other tribal representatives. This procedure shall be conducted similar to the protocols outlined under SB 18 (Burton) and AB 52 (Gatto), which describe "government to government" consultation, through tribal and local government officials and their designees. During this process, the tribe may request that operations associated with the clearance or permit be designed to avoid, minimize or mitigate impacts to Tribal Cultural Resources, as defined herein. Examples include but are not limited to: conducting a site visit with the THPO or their designee to the existing or proposed cultivation site, requiring that a professional cultural resources survey be performed, or requiring that a tribal cultural monitor be retained during project-related ground disturbance within areas of sensitivity or concern. The county shall request that a records search be performed through the California Historical Resources Information System (CHRIS). (On file)
15. Biological Report prepared by Natural Resources Management, August 22, 2018. (On file)
16. DEH Worksheet (On file)

HEADWATER ORGANICS LLC

**3527 Greenwood Heights Drive,
Kneeland, CA, 95549
Headwaterorganics@gmail.com**



Operations Plan Revised for Modification

Table of Contents

Key to Revisions

* Indicates Section Revised for Modification

Original Text

New Revision for Modification

1. CULTIVATION ACTIVITIES.....	page 2
A. Description of Water Source, Storage.....	2
B. Irrigation Plan and Projected Water Usage.....	2
C. Stormwater Management and Erosion Control.....	3
D. Protection of Watershed and Nearby Habitat.....	3
E. Storage Protocol/Materials Management.....	3
F. Cultivation Plan.....	3
G. Processing Plan.....	4*
H. Mixed Light Activities, Light Control, and Energy Plan.....	4
I. Soils Management Plan.....	5
J. Monthly Schedule of Activities.....	5
K. Parking Plan.....	7
L. Sewage Disposal Plan.....	7
M. Noise Source Assessment.....	8
2. MANUFACTURING ACTIVITIES.....	8
3. DISTRIBUTION (TRANSPORT ONLY) ACTIVITIES.....	8*
A. Inventory Procedures.....	8
B. Storage and tracking.....	9
C. Packaging/Labeling.....	9
D. Transportation Procedures.....	9
4. SECURITY PLAN.....	10

Headwater Organics LLC is applying for a microbusiness permit from Humboldt County. Cultivation activities comprised of a proposed 1800 square foot mixed light greenhouse. Headwater Organics LLC (HO) is also applying to conduct level 1 manufacturing activities and distribution (transport only) activities as a micro-business. HO's property is located 3527 Greenwood Heights Drive in Kneeland (APN: 404-023-018).

1. CULTIVATION ACTIVITIES

1.A. Description of Water Source and Storage

All water used for cultivation activities at Headwater Organics will consist of either collected rainwater diverted from the greenhouse covering, or groundwater pumped from a private permitted well with a depth of 125' and static level of 62'. On 8/29/2018, Watson Well Service performed a 2 hour pump test showing a flow rate of 7.4 Gallons per minute and consistent flow for the duration of the test. *Please view **Attachment 1: Pump Test Report, and Attachment 2: Well Inspection Report** for details.* There is no well log on file with Humboldt County Department of Environmental Health, and it is unclear whether the well is non-jurisdictional, however the well is not adjacent to a waterbody (defined as over 400 linear feet). If the well is found to be jurisdictional, HO shall increase water storage capacity to comply with forbearance period. Water will be stored in above ground, hard sided 3000 gallon water tanks capable of rainwater collection (Norwesco or similar), installed professionally to meet local standards, and separately metered from residential use. Calculations based on 1800 square foot greenhouse and 40" annual average rainfall show the potential to rely solely on harvested rainwater. A man-made pond with approximately 60,000 gallon capacity is located adjacent to the cultivation site and may be utilized as supplemental water in times of prolonged heat and drought, and is on file with CalFire for emergency fire suppression.

1.B. Irrigation Plan and Projected Water Usage

HO intends to install a drip irrigation system to deliver water collected in the storage tanks. Drip irrigation can operate at over 90% efficiency, and provides the operator with a great level of control to deliver water to quadrants of the greenhouse and/or the entire crop at flexible amounts. Additional water saving garden techniques will be practiced, including training and pruning to maximize ratio of salable product to plant structure, and use of clones which require less water and fertilizer per plant. HO plans to use organic wetting agents and promote a diverse soil microbiology to increase water retention of soil and efficiency of watering. Non-soluble fertilizers will be hand applied on a plant by plant basis, and top dressings will be applied at regular intervals to reduce evaporation rate. Estimated annual water use is difficult to determine at this time but is estimated to be between 10,500 and 16,000 gallons. See ***Attachment 7: Projected Water Use** chart for details.*

1.C. Stormwater Management and Erosion Control

HO intends to utilize rainwater collection storage tanks to receive precipitation collected over the surface of proposed greenhouse to minimize erosion around perimeter. HO intends to plant native species in exposed areas to reduce erosion and support local fauna. Species have been selected utilizing CalFlora database and California Native Plant Society Manual of California Vegetation (Grasses and flowers: Brome, Fescue, Rye, Sedge, Poppy, Lupine, Yarrow etc. Shrubs: Silk Tassel, Ceanothus, Azalea, etc.) Additionally, HO plans to use natural biodegradable wattles to reduce erosion from precipitation. Some runoff occurs from pond overflow after prolonged heavy precipitation, however the outlet from the pond overflow pipe is lined with stone to slow flow of water and aid in dispersal. HO shares a driveway with neighbors but the shared driveway will not see increased traffic as result of proposed cannabis activities (no employees or sales on premises). Shared driveway maintenance is evaluated seasonally, and is the shared responsibility of the residents with parcels accessed by shared driveway. Road assessment conducted on 7/25/2018 by Omsberg and Preston concluded that the road "meets the intent of Humboldt county's standard" *Please see **Attachment 10: Road Evaluation and Supporting Imagery** for further detail.*

1.D. Protection of Watershed and Nearby Habitat

Biological Assessment conducted by Natural Resource Management Corporation completed on 8/22/2018 found that "No sensitive wildlife, plant species or natural communities were found within or near the project area." and that "It has been determined that the projects and operations on the parcels are to likely have no effects on these species or natural communities.". *Please view **Attachment 11: Biological Report** for details.* HO will take additional measures to ensure the protection of watershed and nearby wildlife habitat through use of ethically sourced organic inputs in order to remove the risk of toxic runoff into streams and waterways. Also incorporated is the ability to transmit excess water to existing garden beds. Proposed greenhouse supplemental lighting to be shielded so that no light escapes between sunset and sunrise. Finally, there will be no use of generators for cultivation activities, therefore no nearby wildlife will be subjected to noise pollution.

1.E. Storage Protocol/Materials Management

HO will store all Fertilizers and pesticides indoors in a secure locked shipping container. All products to be kept upright and shielded from light and water. Duplicates of application rates shall be kept on premises to ensure correct usage and all inputs will be precisely measured at the time of use and mixed according to directions. HO intends to compost spent plant material in a secure plant waste area in adherence to county and state guidelines.

1.F. Cultivation Plan

HO intends to be an owner operated business with no outside employees. Proposed 1800 square foot mixed light greenhouse to house four rows of raised beds, totalling approximately 1000 square feet of plantable area. Clones to be propagated on-site in separate propagation area, or purchased from licensed nursery. After several weeks of vegetative growth fertilized

primarily by compost teas, young plants to be transplanted into raised beds in proposed greenhouse. Flowering phase to be induced with a 48 hour period of complete light deprivation and altered fertilizer application. Light deprivation technique will commence until readiness for harvest. Product chosen to be 'fresh frozen' will be harvested approximately 2 weeks before average strain maturity, allowing time for used soil to be amended and prepared for re-planting. Light deprivation technique will continue until September, when natural light will be appropriate for finishing of cycle. Plant waste to be composted on site in accordance with state and local guidelines. Use of natural farming techniques such as culturing indigenous microorganisms increases microbiology in soil and reduces need for excessive amounts of fertilizer and potential over-watering. Pest and fungus control will be maintained with regular rotating application of bio-insecticides, bio-fungicides, and natural oils. Insect killing soaps to be applied as needed and will be OMRI approved, and responsibly applied in low dose at times that reduce risk to pollinators and beneficial insects. All foliar sprays will be applied only at optimum times to reduce spray drift, and applied to maximize targeted application, minimizing impact on native wildlife, water, and neighboring properties.

1.G. Processing Plan

HO intends for the majority of harvested material to be 'fresh frozen' for further manufacturing. Product to be weighed immediately after harvest and transferred to on site proposed HO Processing facility for drying or freezing (for the purpose of processing, 'fresh frozen' refers to freezing and chilling fresh product to temperatures up to 34°F). This processing method offers several key benefits, including more efficient use of space, time, and labor when compared to traditional trimming and drying. 'Fresh frozen' cannabis will require significantly less trimming than product selected to be dried, because viable extractions can be manufactured utilizing leaves that would otherwise need to be removed. This method of processing will require just a fraction of the space that would be needed for traditional hang-dry methods, and can be ready for manufacture in as little as 24 hours. 'Fresh frozen' cannabis also allows greater flexibility of schedule for the manufacturer, while preserving flavors and characteristics of freshly harvested plant. All product to be handled in accordance to the California Track and Trace system guidelines. Proposed processing, manufacturing, and propagation areas to be located in detached garage-proposed new commercial building with secure entrances and facilities shall be clearly separated by walls. Processing area to be comprised of energy efficient freezers for short term storage of fresh product, a small drying area designated for product drying and curing, and adequate shelving space for product storage enabling easy product inventory practices. Processing area to be kept clean, dry, and temperate for the safe storage of product.

1.H. Mixed Light Activities, Light Control, and Energy Plan

Proposed 1800 square foot mixed light greenhouse will utilize light deprivation technique in tandem with supplemental lighting in order to maximize potential productivity of the footprint of the cultivation area, enabling 3-4 harvests per year. Proposed greenhouse to be shielded with light deprivation cover if supplemental light is employed between hours of sunset and sunrise so

that no light escapes. Electric sub-panel to be installed in proposed greenhouse by a certified electrician meeting local building standards. Primary residence includes PV solar system (system size 8.91 Kw DC). Supplemental lighting is anticipated to be provided at a rate of approximately 6 Watts per square foot for 4 hours per day during early and late growing season to ensure consistent production. HO shall utilize LED lighting to maximize energy efficiency. Based on the use of 6 Watts per square foot provided for 4 hours every day, energy usage for supplemental lighting is expected to be 1,296kWh per month when supplemental light is needed to aid flower production. At maximum speed, variable speed exhaust and circulation fans are estimated to require .84kW and .9kW respectively, for varying times based on daily weather. Anticipating an average of 6 hours per day for exhaust and 12 hours per day for circulation fans results a monthly use of 475.2kWh. Based on current renewable only energy prices from Pacific Gas and Electric of \$0.28-0.38/kWh during summer months and \$0.23-0.25/kWh during winter months, monthly cost without deducting any power produced by PV Solar System estimated to be a minimum of \$407.38 (4 hours/day supplemental lighting plus estimated ventilation draw at off-peak winter rate of \$.23/kWh), and a maximum of \$673.06 (4 hours/day supplemental lighting plus estimated ventilation draw at peak summer rate of \$.38/kWh). PV Solar system produced an average above 400 kWh per month for 2018 rainy season production, and can be expected to offset a significantly higher amount in the summer and fall seasons.

1.I. Soils Management Plan

HO intends to construct raised beds in proposed greenhouse, totalling 1000 square feet of plantable bed area. Initial season to begin with bulk soil delivery from reputable source. Subsequent plantings will be preceded by addition of organic materials and OMRI approved or accepted minerals. Between growing seasons, raised beds to be planted with nitrogen rich cover crops and lightly tilled into the soil before replanting. HO intends to utilize elements of organic and natural farming techniques, including the maintenance of beneficial microorganisms and insects. Soil inhabitants provide food for growing plants and protect the rhizosphere from unwanted pests and fungi, and are a vital part of a healthy soil food web.

1.J. Monthly Schedule of Activities

Fall/Winter 2018 (pending application submittal)

- demolish existing greenhouse and prepare to construct 1800 square foot greenhouse with supplemental lighting and water permeable floor
- 30'x 60' gable style/ quonset greenhouse constructed to meet local planning and building standards
- electrical sub panel to be installed by certified electrician to meet local building standards

January 2019

- proposed greenhouse to be fitted with light deprivation kit

- perimeter of proposed greenhouse to be covered with water permeable gravel/pebble
- water storage tanks to be delivered and fitted for rainwater collection
- supplemental lighting system to be installed
- prepare raised beds for delivery of soil and amendments

February

- Propagate and maintain clones and mother plants
- install drip irrigation water delivery system
- test infrastructure and adjusted accordingly (I.E. supplemental lighting, light deprivation kit, water storage)
- utilize the state mandated track and trace program to maintain relevant daily records *(to occur continuously throughout following schedule)*
- implement/maintain rotational Pest Management Plan *(to occur continuously through growing season)*

March

- transplant first batch of clones in proposed greenhouse and allow to grow in vegetative state for 2-3 weeks before beginning light deprivation cycle 1
- proposed greenhouse to be covered and uncovered daily so that no supplemental light escapes between sunset and sunrise
- Propagate and maintain clones and mother plants
- induce transition into flowering phase

April

- continue light deprivation technique in proposed greenhouse and begin flowering cycle 1 (weeks 1-3)
- Propagate and maintain clones and mother plants

May

- Propagate and maintain clones and mother plants
- continue light deprivation technique in proposed greenhouse (weeks 4-7/8)
- harvest cycle 1; weigh and process
- amend soil in harvested beds and prepare for replanting
- compost waste material on site in secured waste composting area
- transplant second batch of clones to grow in vegetative state for 1-2 weeks before beginning light deprivation cycle 2

June

- manufacture cycle 1
- Propagate and maintain clones and mother plants
- continue light deprivation cycle 2 (weeks 1-4)

August

- continue light deprivation cycle 2 (weeks 5-7/8)
- harvest cycle 2; weigh and process
- amend soil in harvested beds and prepare for replanting
- compost waste material on site in secured waste composting area
- transplant third batch of clones in proposed greenhouse and allow to grow in vegetative state for 1-2 weeks before beginning light deprivation cycle 3
- manufacture cycle 2
- propagate reduced specifically selected plants to retain for genetics and keep in vegetative growth through off season

September

- maintain clones/mother plants for next season
- induce transition into flowering phase via 48 hour light deprivation period and altered fertilization dosage
- continue cycle 3 in proposed greenhouse utilizing supplemental lights only between sunrise and sunset. use of light deprivation cover can cease as natural daylight hours will be appropriate for flowering during this part of the season (weeks 1-3)

October

- maintain clones/mother plants for next season
- continue cycle 3 in proposed greenhouse (weeks 4-7/8)
- harvest cycle 3; weigh and process
- till soil in harvested beds and plant with cover crop to prepare for off season
- compost waste material on site in secured waste composting area

November

- manufacture cycle 3
- maintain clones/mother plants for next season
- address any infrastructure problems
- compile receipts
- inspect and maintain propagation, manufacturing, and storage areas

1.K. Parking Plan

HO intends to maintain a fully owner operated business and has no public accommodation. Plot Plan shows designated parking spaces which are located to allow emergency vehicle turnaround.

1.L. Sewage Disposal Plan

HO is an owner-operated business. Owner-operators primary residence is located on-site, and business plan does not include public accommodations, thus no additional load will be added to existing septic system. Septic system inspected and repaired by Steve's Septic in summer

2017. Please see **Attachment 8: Septic System Inspection Report and Repair Invoice**. Drip irrigation lines to be flushed into existing ornamental and/or vegetable garden beds ensuring adequate water dispersal and eliminating need for introduction into wastewater treatment system.

1.M. Noise Source Assessment

HO will ensure that noise levels do not rise above 3 decibels above ambient noise from any property line, in order to maintain the quality of habitat for all wildlife species as recommended in Biological Assessment conducted by Natural Resource Management Corporation.

Generators will be used only in case of emergency, and future plans to upgrade residential PV solar system to include battery will enable off grid emergency power.

2. MANUFACTURING ACTIVITIES

HO is applying for a permit through Humboldt County's Planning and Building Department to commercially manufacture Cannabis concentrates with non-volatile solvents/processes. HO will use ice water and/or dry ice extraction methods to separate plant oils from freshly frozen cannabis leaf and flowers. Following initial extraction, product may be determined ready for distribution as 'Bubble Hash', or selected for further manufactured into 'Live Rosin'. HO will operate hydraulic or pneumatic heated plate presses to manufacture 'Rosin' and other high quality solventless extracts without the use of any chemical products which could be dangerous for the manufacturer or consumer, or harmful to the environment. Key benefits of Rosin production include high market value, increased shelf-life and product stability, and environmentally sustainable production.

3. DISTRIBUTION (TRANSPORT ONLY) ACTIVITIES

HO is applying for a permit through Humboldt County's Planning and Building Department for Distribution (Transport Only) Activities, to be housed in ~~an existing non-residential~~ proposed commercial structure. All finished product produced by HO will remain on site and inputted into

HO's distribution inventory tracking system. Product types will include dried cannabis flowers and solventless cannabis extracts. There will be no consumption of any cannabis products at the premises. All products will be inputted and organized by batch number as they are received. Inventory procedures are outlined further below. Final sale of product will be through another distributor who will engage in testing by a licensed lab prior to sale to licensed retail storefront in CA. HO's distribution activities will be primarily for all cannabis products produced on site.

3.A. Inventory Procedures

HO's distribution activities will include strict inventory management procedures. HO will utilize unique identifiers (UID) pursuant to Section 26069 of MAUCRSA to organize products, secure packaging, and record information. All products will be recorded, weighed and separated into "batches" prior to transport. Cannabis flower batches will be separated into "harvest batches" that are determined by strain, cultivation site, and date of harvest (or 10-pound batch if harvest is over 10 pounds of processed flower). Manufactured cannabis products will be separated into

“manufactured cannabis batch” based on product type. Products will be inputted into state and local track and trace systems. HO will utilize an electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program, which shall include, but not be limited to, the following information:

- (1) The variety and quantity or weight of products transported.
- (2) The estimated times of departure and arrival.
- (3) The actual time of departure and arrival.
- (4) A categorization of the product.
- (5) The license number and the unique identifier issued by the licensing authority.

3.B. Storage and tracking

HO distribution shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises. HO distribution shall ensure a label with the following information is physically attached to each container of each batch:

- (1) The manufacturer or cultivator's name and license number (Headwater Organics)
- (2) The date of entry into the distributor's storage area.
- (3) The unique identifiers and batch number associated with the batch.
- (4) A description of the cannabis goods with enough detail to easily identify the batch.
- (5) The weight of or quantity of units in the batch.
- (6) The best-by, sell-by, or expiration date of the batch, if any.

HO distribution will maintain quality control procedures at the facility. This includes temperature and humidity control in all storage areas. All products will be stored separately based on product type and batch in appropriate areas.

3.C. Packaging/Labeling

HO will package and label cannabis and manufactured products for retail, done in pursuant to sect. 26120 of MAUCRSA

3.D. Transportation Procedures

The following conditions will be met:

1. All vehicles transporting cannabis goods will have a motor carrier permit pursuant to Chapter 2 (commencing with Section 34620) of Division 14.85 of the Vehicle Code.
2. Cannabis goods transported by HO distribution will only be transported inside of a vehicle or trailer and will not be visible or identifiable from outside of the vehicle or trailer.
3. Cannabis goods will be locked in a box, container, or cage that is secured to the inside of the vehicle or trailer.
4. While left unattended, HO distribution's vehicles and trailers will be locked and secured. HO distribution will not leave a vehicle or trailer containing cannabis goods unattended in a residential area or parked overnight in a residential area
5. HO distribution shall have a vehicle alarm system on all transport vehicles and trailers.

Motion detectors, pressure switches, duress, panic, and hold-up alarms may also be used at the discretion of HO.

6. All packages and containers holding cannabis goods will not be tampered with, or opened, during transport.

7. HO distribution will only travel between licensees shipping or receiving cannabis goods and its own licensed premises when engaged in the transportation of cannabis goods.

8. HO distribution will ensure that non-cannabis goods will never be transported with cannabis goods.

9. HO distribution will provide the following required transport vehicle information to the BCC

9.a) Proof of ownership or a valid lease for any and all vehicles and trailers that will be used to transport cannabis goods.

9.b) The year, make, model, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles and trailers that will be used to transport cannabis Goods

9.c) Proof of insurance for each vehicle and trailer used to transport cannabis goods.

9.d) HO distribution will provide information to the BCC in writing for any new vehicle or trailer that will be used to transport cannabis goods prior to using the vehicle or trailer to transport cannabis goods.

10. Transport Personnel Requirements:

a) No person under the age of 21 years old will be in a commercial vehicle or trailer transporting cannabis goods; and

b) Only a licensee or an employee of the distributor shall be in a vehicle while transporting cannabis goods.

11. Prior to transporting cannabis goods, a distributor shall generate a shipping manifest through the track and trace system.

4. SECURITY PLAN

General Procedures

1. Site manager is to perform daily security check with visual inspection of all sensitive and limited access areas to verify properly functioning security equipment (locks, gates, security doors, fences, etc.)
2. Access to restricted areas are to remain under constant lock and key with only the on site managers having access
3. All access gates, doors, etc. are to be kept locked except when on-going operations prohibit
4. All non-employees/visitors must sign-in and include vehicle license plate (if applicable), and be clearly identified by a visitor tag
5. No non-employees in restricted areas
6. No individuals under the age of 18 are permitted on any Headwater LLC cannabis facility
7. No personal visitors unless previously approved

8. No firearms or explosives except for security personnel
9. No illegal substances, drug use, alcohol or intoxication allowed
10. All contract personnel are required to abide by these procedures