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Mendocino County Board of Supervisors
501 Low Gap Road
Ukiah, CA 95482

Re: Board Meeting 2/6/18 Agenda Items Legislative Update and Canna Update

Dear Honorable Supervisors:

Forgive my rare absence; I am home with the flu.

Regarding the Working Group submission for your consideration:

1. The State Cannabis Advisory Committee notice for submitting comments to Subcommittees was published only 1 week before the due date.
2. The Working Group created a subcommittee to work through the weekend on the proposed comments, but most of the issues listed have been raised in prior comment letters to the state or are issues familiar to this Board. Unfortunately, the people serving on the CAC subcommittees have not necessarily had the benefit of the prior information and in many cases do not have any experience with issues particular to rural communities.
3. This is the first step of the subcommittees: to gather input and information before they begin to assemble their recommendations to the regulators on how to draft the more permanent state regulations differently from the emergency regulations. It is imperative that they have the full benefit of our detailed comments at this early, educational stage.
4. Please consider submitting all of the comments so that the broadest level of information can be transmitted regarding the range of potential issues for the regulators to consider.

Regarding the Cannabis Update:

1. On January 18, 2018, I had an extensive telephone conference with the Branch Chief and legal counsel at CDFA (cultivation licensing) regarding the extensive delays with CDFW regarding Lake and Streambed Alteration Agreements (or determination letters that they are not needed). I also discussed with them other challenges that I see affecting whether applicants will be properly licensed. It would be very helpful if the Board would support the recommendations I proposed to them. I am genuinely not certain whether these specific issues should be dealt with in the context of the submissions to the CAC. I have attached my notes from that phone conference, that I did email to CDFA, so you can decide whether those issues are appropriate to bring up in this context or whether there is another mechanism that might be more appropriate for the County to address those issues with the state. I did provide the Working Group with this information.
2. FINAL Local Permits are NOT necessary for a Temporary State license. Additionally, there is room for the "local authorization" (in our case, the embossed receipts), to be used for an annual license application. In any event, a State license will NOT be



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issued without LOCAL authorization and confirmation of good standing (or a failure to reply to the state's inquiry). Therefore, the absolute need for a final permit in hand may be less dire. I recognize that this does not change the very real need for the County to issue final permits, but I believe **it is genuinely a matter of whether it is more important to ensure all steps have been undertaken (including final environmental documents in hand) before issuance of final permits, or whether it is more important to issue the final permits and then ensure that all final documents and other outstanding issues for the applicant are followed-up on and complied with within a certain period of time.** In either event, the Board can set the priority and the manner in which the permits are issued can flow from that policy. At this moment, the state will require all documents in hand before an annual (non-temporary) license will be issued. However, the process of reviewing and approving or rejecting annual applications is presumed to take many months AFTER the submission of a complete application. The real issue is whether the state will extend the temporary licenses if CDFW or other agencies are falling behind.

3. The Ag Department's thoroughness is a blessing and a curse. This Board has directed them to ensure applicants are properly vetted. Does that mean that they do not issue permits if someone has submitted their LSAA application to CDFW but has been repeatedly been asked for more information? **Please remember that the final cannabis-specific water and environmental emergency regulations were only issued in December and that CDFW did not even have its online portal open until January. The fact that cultivators are thought to be "dragging their feet" is an unfair characterization; since none of the state rules regarding all of the environmental issues were even clear until the last month or two.**
4. At the local level, until the processing at PBS is working smoothly, there will be a continued delay in issuing permits. That is not at all meant as a criticism, just a fact.

Thank you for you time.

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