

Cannabis Sub-Committee Meeting

January 19, 2023

Re: Cultivation Regulation Comments

Thank you for allowing the opportunity to provide the following comments on cultivation regulations. As a Licensed Cultivator and Environmental Scientist I would like to provide comment on conversion to medium and large licenses, transition from mixed light tier 1 to outdoor licensure, parody for small license holders, fallowing, self-transport, self-processing, and generator noise level in regard to prevention of harassment of humans and wildlife alike.

Conversion to Medium and Large Licenses

Please note language from DCC's Guidance Document, "Conversion to Large and Medium Cultivation Licenses," included for reference is *italicized*. Following the referenced sections of the Guidance Document, a request is made which we believe enables a fair and efficient conversion of licenses into a medium or large license.

Eligibility

A cultivation licensee is eligible for a Large or Medium license conversion if:

- *The proposed premises for the Large or Medium license is one contiguous premises that includes only licensed or previously licensed cultivation premises.*
- *At least one active license exists within the boundaries of the proposed premises.*

Request 1: Previously Active Licenses

The conversion application does not have a designated area to list previously active licenses within the licensed cultivation premises.

+Please allow licensees applying for conversion to upload a list of previously active licenses as an attachment to the application requesting conversion to assist with the environmental review process.

Request 2: Mixed Light Tier 1 to Outdoor Conversion

The conversion application system rejects including mixed light tier 1 licenses in a large outdoor conversion application regardless if the proposed premises *is one contiguous premises that includes only licensed or previously licensed cultivation premises.*

We hold both mixed light tier 1 (although the operation has not used artificial light) and outdoor licenses within a licensed premises. The local jurisdiction's staff report and permit states 3-acres of outdoor may be cultivated in Humboldt County, including 1-acre of light deprivation greenhouses. The County of Humboldt considers light deprivation without use of artificial light as outdoor cultivation, and has since the first County cultivation ordinance adopted in 2015.

+May we request when a local jurisdiction defines light deprivation without use of artificial light as outdoor cultivation, if a state licensee within such local jurisdiction submits a conversion request, the total acreage permitted by the local jurisdiction be eligible for conversion?

+ Please allow licensees applying for conversion to upload a list of mixed light tier 1 licenses as an attachment to the application requesting conversion to assist the environmental science review process.

Request 3: Parody for Small License Size

When light deprivation was not considered outdoor cultivation by DCC, some cultivators had to hold multiple licenses to adequately license a 10,000-square foot operation. Licensees holding multiple licenses for a premise cultivating 10,000-square feet or less should also have the option to convert into a single small license.

+Please enable conversion of cottage, specialty, and small licenses into a single small license.

Request 4: Fallowing

We would like to request the following abilities when fallowing a license to avoid significant financial loss:

+Need ability to keep harvested product to finish processing to sell to licensed dispensary.

+Need ability to bring fallowed license back on line with pro-rated license fee.

+Need option within the licensing portal to fallow a license at time of renewal.

+Need option to fallow active license within the licensing portal with prorated credit toward future renewal fee.

+Need the option to fallow a portion of a license with a prorated license fee.

+Need option to keep genetics for fallowed license. Purchasing clones from a licensed nursery are \$10 a clone. A 10,000-square foot cultivation area houses approximately 2,000 plants. If the farm were required to purchase clones when fallowing ceases, that would be a \$20,000 expense. To recoup the \$20,000 expense, the farm would need to sell approximately 67 pounds, which would be a very significant portion of the farm's processed product.

Please note there are many reasons other than a declared disaster to fallow a license such as market conditions, soil health management (salinity management, nutrient/nutrient balance management, soil parasite management), serious illness or death of business owner, and other unforeseen extenuating circumstances.

Request 5: Self-Transport

As a licensed cultivator, cultivating 1-3 acres depending on drought and market conditions, we utilize our self-transport license less than 10 times per year, making the requirement to hold a \$2-million general liability policy for self-transport of product (to a licensed dispensary) very costly. Our general liability insurance policy is a +\$3500 annual expense. We have to sell at least 10-pounds (12 pounds to cover the processing cost for the 10 pounds) a year to pay for the policy. We would like to request the general liability insurance requirement for self-transport to be significantly reduced to \$50,000 (covering transport of up to 200 pounds) or eliminated.

Request 6: Self-Processing

Similar to self-transport, a self-processing license option is needed with a lesser fee for those who only process licensed product grown on a contiguous premise. This is especially true during the 2023 transition year for multiple licenses converting to a single license. The processing license renewal fee of \$9400 is very costly for a licensee only conducting self-processing. The annual fee of \$9400 is equivalent in value to 27 pounds of processed cannabis.

Request 7: Generator Requirements

The California Environmental Quality Act (CEQA) requires protection of wildlife and endangered species. The California Department of Fish & Wildlife (CDFW) issues species specific guidance for protection including decibel thresholds for sound. For example Marbled Murrelet and Spotted Owl protection requires a decibel level of 50 or less at the edge of forest habitat or 100 -feet from a generator, whichever is closer to the project site. As a part of CEQA analysis due diligence, Humboldt County has incorporated these measures into their local cannabis ordinance to prevent harassment of endangered species.

Local noise ordinances capture decibel level requirements at property lines, which is typically not to exceed 60-decibels. As a part of CEQA due diligence, Humboldt County has incorporated this measure into their local cannabis ordinance to prevent harassment of residences and neighbors.

Given the above laws, current generator requirements based on engine horsepower do not adequately protect wildlife or residences from noise pollution.

+May we request generator requirements be modified from engine size to decibel level to prevent harassment of humans and wildlife alike?

Plant Tagging

+May we politely ask for the reasoning behind the need to tag every single mature plant so understand how the requirement truly lends to prevention of theft and product diversion?

+Do the new environmentally friendly tags withstand UV radiation and water?

+Will the bar code and tag number be legible at the time of harvest?

Thank you for the opportunity to provide comments on conversion to medium and large licenses, transition from mixed light tier 1 to outdoor licensure, parody for small license holders, fallowing, self-transport, self-processing, and generator noise level.

Sincerely,



Karla Knappek
Honeydew Valley Farms, LLC
Environmental Scientist, Hydrologist, and Certified Professional Soil Scientist #324817